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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 SEPTEMBER 30, 2022

OR

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

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 0-29889

Rigel Pharmaceuticals, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**94-3248524**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1180 Veterans Blvd. South San Francisco, CA (Address of principal executive offices)	**94080** (Zip Code)

(650) 624-1100
(Registrant's telephone number, including area code)

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

Title of each class:	**Trading Symbol**	**Name of each exchange on which registered:**
Common Stock, par value $0.001 per share	RIGL	The Nasdaq Stock Market LLC

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 October 28, 2022, there were 172,836,336 shares of the registrant's Common Stock outstanding.

RIGEL PHARMACEUTICALS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2022

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RIGEL PHARMACEUTICALS, INC.
CONDENSED BALANCE SHEETS
(In thousands)

	September 30, 2022 (unaudited)	December 31, 2021(1)
Assets		
Current assets:		
Cash and cash equivalents	$ 29,866	$ 18,890
Short-term investments	51,776	106,077
Accounts receivable, net	15,525	15,472
Inventories	7,116	6,616
Prepaid and other current assets	6,157	7,412
Total current assets	110,440	154,467
Property and equipment, net	1,694	2,184
Operating lease right-of-use asset	2,991	9,703
Other assets	484	974
	$ 115,609	$ 167,328
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 2,721	$ 3,795
Accrued compensation	8,773	10,690
Accrued research and development	7,574	10,384
Other accrued liabilities	17,602	12,691
Lease liabilities, current portion	3,314	9,892
Deferred revenue	1,369	2,596
Other long-term liabilities, current portion	5,912	13,506
Total current liabilities	47,265	63,554
Long-term portion of lease liabilities	—	759
Loans payable, net of discount	39,468	19,914
Other long-term liabilities	48,710	52,727
Commitments		
Stockholders' equity (deficit):		
Preferred stock	—	—
Common stock	173	172
Additional paid-in capital	1,364,139	1,354,190
Accumulated other comprehensive loss	(286)	(102)
Accumulated deficit	(1,383,860)	(1,323,886)
Total stockholders' equity (deficit)	(19,834)	30,374
	$ 115,609	$ 167,328

(1) The balance sheet as of December 31, 2021 has been derived from the audited financial statements included in Rigel's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission (SEC) on March 1, 2022.

See Accompanying Notes to Condensed Financial Statements

RIGEL PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Product sales, net	$ 19,188	$ 16,012	$ 53,935	$ 45,441
Contract revenues from collaborations	722	4,531	12,529	73,886
Government contract	2,500	1,000	2,500	9,500
Total revenues	22,410	21,543	68,964	128,827
Costs and expenses:				
Cost of product sales	250	151	1,407	596
Research and development	14,666	18,300	44,907	51,933
Selling, general and administrative	25,897	22,877	80,279	67,376
Total costs and expenses	40,813	41,328	126,593	119,905
Income (loss) from operations	(18,403)	(19,785)	(57,629)	8,922
Interest income	192	14	255	31
Interest expense	(826)	(1,317)	(2,600)	(3,561)
Income (loss) before income taxes	(19,037)	(21,088)	(59,974)	5,392
Provision for (benefit from) income taxes	—	(136)	—	665
Net income (loss)	$ (19,037)	$ (20,952)	$ (59,974)	$ 4,727
Net income (loss) per share				
Basic	$ (0.11)	$ (0.12)	$ (0.35)	$ 0.03
Diluted	$ (0.11)	$ (0.12)	$ (0.35)	$ 0.03
Weighted average shares used in computing net income (loss) per share				
Basic	172,836	170,886	172,256	170,297
Diluted	172,836	170,886	172,256	176,452

See Accompanying Notes to Condensed Financial Statements

RIGEL PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	$ (19,037)	$ (20,952)	$ (59,974)	$ 4,727
Other comprehensive income (loss):				
Net unrealized gain (loss) on short-term investments	152	1	(184)	12
Comprehensive income (loss)	$ (18,885)	$ (20,951)	$ (60,158)	$ 4,739

See Accompanying Notes to Condensed Financial Statements

RIGEL PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share amounts)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance as of January 1, 2022	171,602,226	$ 172	$ 1,354,190	$ (102)	$ (1,323,886)	$ 30,374
Net loss	—	—	—	—	(27,445)	(27,445)
Net unrealized loss on short-term investments	—	—	—	(314)	—	(314)
Issuance of common stock upon exercise of options	420,521	—	940	—	—	940
Issuance of common stock upon vesting of restricted stock units	22,500	—	—	—	—	—
Stock-based compensation expense	—	—	3,243	—	—	3,243
Balance as of March 31, 2022	172,045,247	$ 172	$ 1,358,373	$ (416)	$ (1,351,331)	$ 6,798
Net loss	—	—	—	—	(13,492)	(13,492)
Net unrealized loss on short-term investments	—	—	—	(22)	—	(22)
Issuance of common stock upon exercise of options and participation in Purchase Plan	609,839	1	598	—	—	599
Issuance of common stock upon vesting of restricted stock units	181,250	—	—	—	—	—
Stock-based compensation expense	—	—	2,440	—	—	2,440
Balance as of June 30, 2022	172,836,336	$ 173	$ 1,361,411	$ (438)	$ (1,364,823)	$ (3,677)
Net loss	—	—	—	—	(19,037)	(19,037)
Net unrealized gain on short-term investments	—	—	—	152	—	152
Stock-based compensation expense	—	—	2,728	—	—	2,728
Balance as of September 30, 2022	172,836,336	$ 173	$ 1,364,139	$ (286)	$ (1,383,860)	$ (19,834)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of January 1, 2021	169,316,782	$ 169	$ 1,339,833	$ (4)	$ (1,305,972)	$ 34,026
Net income	—	—	—	—	39,500	39,500
Net unrealized gain on short-term investments	—	—	—	3	—	3
Issuance of common stock upon exercise of options	813,854	1	2,096	—	—	2,097
Stock-based compensation expense	—	—	2,672	—	—	2,672
Balance as of March 31, 2021	170,130,636	$ 170	$ 1,344,601	$ (1)	$ (1,266,472)	$ 78,298
Net loss	—	—	—	—	(13,821)	(13,821)
Net unrealized gain on short-term investments	—	—	—	8	—	8
Issuance of common stock upon exercise of options and participation in Purchase Plan	711,847	1	1,318	—	—	1,319
Stock-based compensation expense	—	—	2,306	—	—	2,306
Balance as of June 30, 2021	170,842,483	$ 171	$ 1,348,225	$ 7	$ (1,280,293)	$ 68,110
Net loss	—	—	—	—	(20,952)	(20,952)
Net unrealized gain on short-term investments	—	—	—	1	—	1
Issuance of common stock upon exercise of options	127,265	—	274	—	—	274
Stock-based compensation expense	—	—	2,237	—	—	2,237
Balance as of September 30, 2021	170,969,748	$ 171	$ 1,350,736	$ 8	$ (1,301,245)	$ 49,670

See Accompanying Notes to Condensed Financial Statements

RIGEL PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Nine Months Ended September 30,	
	2022	2021
Operating activities		
Net income (loss)	$ (59,974)	4,727
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Stock-based compensation expense	8,305	7,147
Gain on disposal of assets	(465)	—
Depreciation and amortization	714	758
Non-cash interest expense	682	2,314
Net amortization and accretion of discount on short-term investments and term loan	116	171
Changes in assets and liabilities:		
Accounts receivable, net	(53)	982
Inventories	(394)	(5,325)
Prepaid and other current assets	1,255	8,113
Other assets	490	(111)
Right-of-use assets	6,712	6,071
Accounts payable	(999)	(656)
Accrued compensation	(1,917)	(131)
Accrued research and development	(2,810)	4,586
Other accrued liabilities	4,911	2,563
Lease liability	(7,337)	(6,384)
Deferred revenue	(1,227)	139
Other current and long-term liabilities	142	—
Net cash provided by (used in) operating activities	(51,849)	24,964
Investing activities		
Purchases of short-term investments	(26,049)	(117,076)
Maturities of short-term investments	80,062	31,200
Proceeds from disposal of assets	543	—
Capital expenditures	(377)	(648)
Net cash provided by (used in) investing activities	54,179	(86,524)
Financing activities		
Cost share advance from collaboration partner	—	57,900
Cost share payments to a collaboration partner	(12,435)	—
Net proceeds from issuances of common stock upon exercise of options and participation in Purchase Plan	1,539	3,690
Net proceeds from term loan financing	19,542	—
Net cash provided by financing activities	8,646	61,590
Net increase in cash and cash equivalents	10,976	30
Cash and cash equivalents at beginning of period	18,890	30,373
Cash and cash equivalents at end of period	$ 29,866	$ 30,403
Supplemental disclosure of cash flow information		
Interest paid	$ 1,549	$ 1,094

See Accompanying Notes to Condensed Financial Statements

Rigel Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(unaudited)

In this report, "Rigel," "we," "us" and "our" refer to Rigel Pharmaceuticals, Inc.

1. Organization and Summary of Significant Accounting Policies

Description of Business

We are a biotechnology company dedicated to discovering, developing and providing novel small molecule drugs that significantly improve the lives of patients with hematologic disorders, cancer and rare immune diseases. Our pioneering research focuses on signaling pathways that are critical to disease mechanisms. Our first product approved by the US Food and Drug Administration (FDA) is TAVALISSE® (fostamatinib disodium hexahydrate) tablets, the only approved oral spleen tyrosine kinase (SYK) inhibitor, for the treatment of adult patients with chronic immune thrombocytopenia (ITP) who have had an insufficient response to a previous treatment. The product is also commercially available in Europe, United Kingdom (UK) (TAVLESSE) and Canada (TAVALISSE) for the treatment of chronic ITP in adult patients.

Our portfolio also includes olutasidenib, an oral, small molecule inhibitor of mutated isocitrate dehydrogenase-1 (mIDH1) being investigated for the treatment of acute myeloid leukemia (AML) and other malignancies. We in-licensed olutasidenib from Forma Therapeutics, Inc. (Forma) with exclusive, worldwide rights to develop, manufacture, and commercialize the investigational drug.

We conducted a Phase 3 clinical trial evaluating fostamatinib for the treatment of warm autoimmune hemolytic anemia (wAIHA), and recently announced that we do not expect to file a supplemental New Drug Application (sNDA) for this indication at this time considering the top-line data results and the guidance received from the FDA. We recently announced the completion of the FOCUS Phase 3 clinical trial of fostamatinib for the treatment of hospitalized high-risk patients with COVID-19. Fostamatinib is also currently being studied in a National Institute of Health (NIH)/National Heart, Lung, and Blood Institute (NHLBI) sponsored Accelerating COVID-19 Therapeutic Inventions and Vaccines (ACTIV-4) Phase 3 trial (ACTIV-4 Host Tissue Trial) for the treatment of COVID-19 in hospitalized patients.

Our other clinical programs include our interleukin receptor-associated kinase (IRAK) inhibitor program and a receptor-interacting serine/threonine-protein kinase (RIPK1) inhibitor program in clinical development with partner Eli Lilly and Company (Lilly). In addition, we have product candidates in clinical development with partners BerGenBio ASA (BerGenBio) and Daiichi Sankyo (Daiichi).

Basis of Presentation

Our accompanying unaudited condensed financial statements have been prepared in accordance with United States generally accepted accounting principles (US GAAP), for interim financial information and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Act of 1933, as amended (Securities Act). Accordingly, they do not include all the information and notes required by US GAAP for complete financial statements. These unaudited condensed financial statements include only normal and recurring adjustments that we believe are necessary to fairly state our financial position and the results of our operations and cash flows. Interim-period results are not necessarily indicative of results of operations or cash flows for a full-year or any subsequent interim period. The balance sheet as of December 31, 2021 has been derived from audited financial statements at that date but does not include all disclosures required by US GAAP for complete financial statements. Because certain disclosures required by US GAAP for complete financial statements are not included herein, these interim unaudited condensed financial statements and the notes accompanying them should be read in conjunction with our audited financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 1, 2022.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. We base our

estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ from these estimates.

Significant Accounting Policies

Our significant accounting policies are described in "Note 1 – Description of Business and Summary of Significant Accounting Policies" to our "Notes to Financial Statements" contained in "Part II, Item 8, Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes to these accounting policies, except for our accounting associated with our in-license agreement with Forma as discussed in detail in "Note 4 – Sponsored Research and License Agreements".

Liquidity

As of September 30, 2022, we had approximately $81.6 million in cash, cash equivalents and short-term investments. Since inception, we have financed our operations primarily through sales of equity securities, debt financing, contract payments under our collaboration agreements and from product sales.

Based on our current operating plan, we believe that our existing cash, cash equivalents, and short-term investments will be sufficient to fund our expenses and capital expenditure requirements for at least the next 12 months from the date of issuance of this Form 10-Q.

Recently Issued Accounting Standards

No new accounting guidance adopted during the period. Recently issued accounting guidance is not applicable or did not have, or is not expected to have, a material impact to us.

2. Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period and the number of additional shares of common stock that would have been outstanding if potentially dilutive securities had been issued. Potentially dilutive securities include stock options, restricted stock units and shares issuable under our Employee Stock Purchase Plan (Purchase Plan). The dilutive effect of these potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in the fair market value of our common stock can result in a greater dilutive effect from potentially dilutive securities.

The following table sets forth the computation of basic and diluted earnings per share (in thousands except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
EPS Numerator:				
Net income (loss)	$ (19,037)	$ (20,952)	$ (59,974)	$ 4,727
EPS Denominator—Basic and Diluted:				
Weighted-average common shares outstanding	172,836	170,886	172,256	170,297
EPS Denominator—Diluted:				
Weighted-average common shares outstanding	172,836	170,886	172,256	170,297
Dilutive effect of stock options, restricted stock units and shares under Purchase Plan	—	—	—	6,155
Weighted-average shares outstanding and common stock equivalents	172,836	170,886	172,256	176,452
Net income (loss) per share				
Basic	$ (0.11)	$ (0.12)	$ (0.35)	$ 0.03
Diluted	$ (0.11)	$ (0.12)	$ (0.35)	$ 0.03

The potential shares of common stock that were excluded from the computation of diluted net income (loss) per share for the periods presented because including them would have been antidilutive are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Outstanding stock options	32,687	30,490	32,687	9,450
Restricted stock units	1,174	234	1,174	4
Purchase Plan	398	313	398	—
Total	34,259	31,037	34,259	9,454

3. Revenues

Revenues disaggregated by category were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Product sales:				
Gross product sales	$ 26,977	$ 20,546	$ 76,022	58,692
Discounts and allowances	(7,789)	(4,534)	(22,087)	(13,251)
Total product sales, net	19,188	16,012	53,935	45,441
Revenues from collaborations:				
License revenues	—	2,431	2,545	70,354
Development milestones	—	1,875	5,000	1,875
Research and development services and others	722	225	4,984	1,657
Total revenues from collaborations	722	4,531	12,529	73,886
Government contract	2,500	1,000	2,500	9,500
Total revenues	$ 22,410	$ 21,543	$ 68,964	$ 128,827

Our net product sales include sales of TAVALISSE in the US, net of chargebacks, discounts and fees, government and other rebates and returns. The following tables summarize the activities in chargebacks, discounts and fees, government and other rebates and returns that were accounted for within other accrued liabilities, for each of the periods presented (in thousands):

	Chargebacks, Discounts and Fees	Government and Other Rebates	Returns	Total
Balance as of January 1, 2022	$ 3,404	$ 2,494	$ 2,017	$ 7,915
Provision related to current period sales	14,475	4,130	1,045	19,650
Credit or payments made during the period	(11,920)	(4,257)	(199)	(16,376)
Balance as of September 30, 2022	$ 5,959	$ 2,367	$ 2,863	$ 11,189

	Chargebacks, Discounts and Fees	Government and Other Rebates	Returns	Total
Balance as of January 1, 2021	$ 2,461	$ 2,115	$ 1,489	$ 6,065
Provision related to current period sales	7,326	3,995	739	12,060
Credit or payments made during the period	(7,073)	(3,367)	(387)	(10,827)
Balance as of September 30, 2021	$ 2,714	$ 2,743	$ 1,841	$ 7,298

Of the $22.1 million discounts and allowances from gross product sales for the nine months ended September 30, 2022, $19.7 million was accounted for as additions to other accrued liabilities and $2.4 million as reductions in accounts receivable (as it relates to allowance for prompt pay discount) and prepaid and other current assets (as it relates to certain chargebacks and other fees that were prepaid) in the condensed balance sheet.

Of the $13.3 million discounts and allowances from gross product sales for the nine months ended September 30, 2021, $12.1 million was accounted for as additions to other accrued liabilities and $1.2 million as reductions in accounts receivable (as it relates to allowance for prompt pay discount) and prepaid and other current assets (as it relates to certain chargebacks and other fess that were prepaid) in the condensed balance sheet.

For detailed discussions of our revenues from collaboration and government contract, see "Note 4 – Sponsored Research and License Agreements and Government Contract" below.

The following table summarizes the percentages of revenues from each of our customers who individually accounted for 10% or more (wherein * denotes less than 10%) of the total net product sales and revenues from collaborations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
McKesson Specialty Care Distribution Corporation	44%	35%	38%	17%
Cardinal Healthcare	27%	18%	22%	*
ASD Healthcare and Oncology Supply	25%	25%	21%	15%
Lilly	*	12%	*	56%
Kissei	*	*	11%	*

4. Sponsored Research and License Agreements and Government Contract

Sponsored Research and License Agreements

We conduct research and development programs independently and in connection with our corporate collaborators. As of September 30, 2022, we are a party to collaboration agreements with Lilly to develop and commercialize R552, a RIPK1 inhibitor, for the treatment of non-central nervous system (non-CNS) diseases and collaboration aimed at developing additional RIPK1 inhibitors for the treatment of central nervous system (CNS) diseases; with Grifols S.A. (Grifols) to commercialize fostamatinib for human diseases in all indications, including chronic ITP and autoimmune hemolytic anemia (AIHA), in Europe and Turkey; with Kissei Pharmaceutical Co., Ltd. (Kissei) to develop and commercialize fostamatinib in Japan, China, Taiwan and the Republic of Korea; with Medison Pharma Trading AG (Medison Canada) and Medison Pharma Ltd. (Medison Israel and, together with Medison Canada, Medison) to commercialize fostamatinib in all indications, including chronic ITP and AIHA, in Canada and Israel, respectively; and with Knight Therapeutics International SA (Knight) to commercialize fostamatinib in all indications, including chronic ITP and AIHA, in Latin America, consisting of Mexico, Central and South America, and the Caribbean (Knight territory).

Further, we are also a party to collaboration agreements, but do not have ongoing performance obligations with BerGenBio for the development and commercialization of AXL inhibitors in oncology, and with Daiichi to pursue research related to MDM2 inhibitors, a novel class of drug targets called ligases. We had an agreement with AstraZeneca AB (AZ) for the development and commercialization of R256, an inhaled JAK inhibitor. In December 2021, AZ provided a notice to terminate the agreement effective April 19, 2022 and returned to us the full rights to our propriety JAK inhibitor.

Under the above existing agreements that we entered into in the ordinary course of business, we received or may be entitled to receive upfront cash payments, payments contingent upon specified events achieved by such partners and royalties on any net sales of products sold by such partners under the agreements. As of September 30, 2022, total future contingent payments to us under all of above existing agreements, excluding terminated agreements, could exceed $1.3 billion if all potential product candidates achieved all of the payment triggering events under all of our current agreements. Of this amount, $279.5 million relates to the achievement of development events, $283.1 million relates to the achievement of regulatory events and $796.0 million relates to the achievement of certain commercial events. This estimated future contingent amount does not include any estimated royalties that could be due to us if the partners successfully commercialize any of the licensed products. Future events that may trigger payments to us under the agreements are based solely on our partners' future efforts and achievements of specified development, regulatory and/or commercial events.

Global Exclusive License Agreement with Lilly

On February 18, 2021, we entered into a global exclusive license agreement and strategic collaboration with Lilly (Lilly Agreement), which became effective on March 27, 2021, to develop and commercialize R552, a RIPK1 inhibitor, for the treatment of non-CNS diseases. In addition, the collaboration is aimed at developing additional RIPK1 inhibitors for the treatment of CNS diseases. Pursuant to the terms of the license agreement, we granted to Lilly exclusive rights to develop and commercialize R552 and related RIPK1 inhibitors in all indications worldwide. The agreement became effective in March 2021 upon clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The parties' collaboration is governed through a joint governance committee and appropriate subcommittees.

We are responsible for 20% of development costs for R552 in the US, Europe, and Japan, up to a specified cap. Lilly is responsible for funding the remainder of all development activities for R552 and other non-CNS disease development candidates. We have the right to opt-out of co-funding the R552 development activities in the US, Europe and Japan at two different specified times. If we exercise our first opt-out right (no later than September 30, 2023), under the Lilly Agreement, we are required to fund our share of the R552 development activities in the US, Europe, and Japan up to a maximum funding commitment of $65.0 million through April 1, 2024. If we decide not to exercise our opt-out rights, we will be required to share in global development costs of up to certain amounts at a specified cap, as provided for in the Lilly Agreement.

We are responsible for performing and funding initial discovery and identification of CNS disease development candidates. Following candidate selection, Lilly will be responsible for performing and funding all future development and commercialization of the CNS disease development candidates.

Under the terms of the license agreement, we were entitled to receive a non-refundable and non-creditable upfront cash payment amounting to $125.0 million, which we received in April 2021. We are also entitled to additional milestone payments for non-CNS disease products consisting of up to $330.0 million in milestone payments upon the achievement of specified development, regulatory and commercial milestones, and up to $100.0 million in sales milestone payments on a product-by-product basis. In addition, depending on the extent of our co-funding of R552 development activities, we would be entitled to receive tiered royalty payments on net sales of non-CNS disease products at percentages ranging from the mid-single digits to high-teens, subject to certain standard reductions and offsets. We are also eligible to receive milestone payments for CNS disease products consisting of up to $255.0 million in milestone payments upon the achievement of specified development, regulatory and commercial milestones, and up to $150.0 million in sales milestone payments on a product-by-product basis. We would be entitled to receive tiered royalty payments on net sales of CNS disease products up to low-double digits, subject to certain standard reductions and offsets.

We accounted for this agreement under ASC 606 and identified the following distinct performance obligations at inception of the agreement: (a) granting of the license rights over the non-CNS penetrant intellectual property (IP), and (b) granting of the license rights over the CNS penetrant IP which will be delivered to Lilly upon completion of the additional research and development efforts specified in the agreement. We concluded each of these performance obligations is distinct. We based our assessment on the assumption that Lilly can benefit from each of the licenses on its own by developing and commercializing the underlying product using its own resources.

Under the Lilly Agreement, we are required to share 20% of the development costs for R552 in the US, Europe and Japan up to a specified cap. Given our rights to opt-out from the development of R552, we believe at the minimum, we have a commitment to fund the development costs up to $65.0 million as discussed above. We considered this commitment to fund the development costs as a significant financing component of the contract, which we accounted for as a reduction of the upfront fee to derive the transaction price. This financing component was recorded as a liability at its net present value of approximately $57.9 million using a 6.4% discount rate. Interest expense is being accreted on such liability over the expected commitment period and adjusted for timing of expected cost share payments. Interest expense accreted during the three months ended September 30, 2022 and 2021 was none and $0.8 million, respectively, and for the nine months ended September 30, 2022 and 2021 was $0.7 million and $1.9 million, respectively. Through September 30, 2022, Lilly billed us $12.4 million for our share of development costs under this agreement, and the amount was fully paid as of September 30, 2022. As of September 30, 2022 and December 31, 2021, the outstanding financing liability to Lilly was $48.9 million and $60.7 million, respectively, and included within other long-term liabilities, current portion, and other long-term liabilities in the condensed balance sheet.

We allocated the net transaction price of $67.1 million to each performance obligation based on our best estimate of its relative standalone selling price using the adjusted market assessment approach. We concluded that the license rights over the non-CNS penetrant IP represents functional IP that is not expected to change over time, and we have no ongoing or undelivered obligations relative to such IP that Lilly will benefit from the use of such IP on the delivery date. As such, the transaction price allocated to the non-CNS penetrant IP of $60.4 million was recognized as revenue during the first quarter of 2021 upon delivery of the non-CNS penetrant IP to Lilly in March 2021. For the delivery of license rights over the CNS penetrant IP, we were obligated to perform additional research and development efforts before Lilly can accept the license. The allocated transaction price to the CNS penetrant IP of $6.7 million was recognized as revenue from the effective date of the Lilly Agreement through the eventual acceptance by Lilly using the input method. In June 2022, Lilly provided notice of continuance pursuant to the terms of the Lilly Agreement, whereby Lilly elected its option to lead the identification and selection of CNS penetrant lead candidate. As such, we recognized the remaining outstanding deferred revenue related to delivery of the CNS penetrant IP in the second quarter of 2022. For the three months ended September 30, 2022 and 2021, revenue recognized related to activities associated with the delivery of CNS penetrant IP was none and $2.4 million, respectively, and $0.5 million and $6.0 million for the nine months ended September 30, 2022 and 2021, respectively.

The remaining future variable consideration related to future milestone payments as discussed above were fully constrained because we cannot conclude that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur, given the inherent uncertainty of success with these future milestones. For sales-based milestones and royalties, we determined that the license is the predominant item to which the royalties or sales-based milestones relate. Accordingly, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). We will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

Grifols License Agreement

In January 2019, we entered into an exclusive license agreement with Grifols to commercialize fostamatinib in all indications, including chronic ITP and AIHA, in Europe and Turkey. Under the agreement, we received an upfront payment of $30.0 million, with the potential for $297.5 million in total regulatory and commercial milestones. We are also entitled to receive stepped double-digit royalty payments based on tiered net sales which may reach 30% of net sales. In return, Grifols received exclusive rights to commercialize fostamatinib for human diseases, including chronic ITP, AIHA, and IgAN, in Europe and Turkey. Grifols also has the exclusive option to expand the territory under its exclusive and non-exclusive licenses to include the Middle East, North Africa and Russia (including Commonwealth of Independent States). In November 2020, Grifols exercised its option to include these territories as part of the licensed territories under the agreement. The agreement also required us to continue to conduct our long-term open-label extension study on patients with ITP through European Medicines Agency (EMA) approval of ITP in Europe or until the study ends as well as conduct the Phase 3 trial of fostamatinib in AIHA.

We entered into a Commercial Supply Agreement with Grifols in October 2020 to supply and sell our drug product priced at a certain markup specified in the agreement, in quantities Grifols shall order from us pursuant to and in accordance with the agreement.

In January 2020, the European Commission granted a centralized Marketing Authorization (MA) for fostamatinib valid throughout the European Union and in the UK after the departure of the UK from the European Union for the treatment of chronic immune thrombocytopenia in adult patients who are refractory to other treatments. With this approval, in February 2020, we received $20.0 million non-refundable payment, comprised of a $17.5 million payment due upon Marketing Authorization Application (MAA) approval by the EMA of fostamatinib for the first indication and a $2.5 million creditable advance royalty payment, based on the terms of our collaboration agreement with Grifols. The above milestone payment was allocated to the distinct performance obligations in the collaboration agreement with Grifols.

We accounted for this agreement under ASC 606 and identified the following distinct performance obligations at inception of the agreement: (a) granting of the license, (b) performance of research and regulatory services related to our ongoing long-term open-label extension study on patients with ITP, and (c) performance of research services related to our Phase 3 study in AIHA. In October 2020, we entered into a commercial supply agreement for the licensed territories. We concluded each of these performance obligations is distinct. We based our assessment on the following: (i) our assessment that Grifols can benefit from the license on its own by developing and commercializing the underlying product using its own resources, and (ii) the fact that the manufacturing services are not highly specialized in nature and can be performed by other vendors. Upon execution of our agreement with Grifols, we determined that the upfront fee of $5.0 million, which is the non-refundable portion of the $30.0 million upfront fee, represented the transaction price. In the first quarter of 2020, we revised the transaction price to include the $25.0 million of the upfront payment that is no longer refundable under our agreement and the $20.0 million payment received that is no longer constrained. We allocated the updated transaction price to the distinct performance obligations in our collaboration agreement based on our best estimate of the relative standalone selling price as follows: (a) for the license, we estimated the standalone selling price using the adjusted market assessment approach to estimate its standalone selling price in the licensed territories; (b) for the research and regulatory services, we estimated the standalone selling price using the cost plus expected margin approach. As a result of the adjusted transaction price, adjustments are recorded on a cumulative catch-up basis, and recorded as part of contract revenues from collaborations in the first quarter of 2020.

We recognized revenue associated with the remaining outstanding deferred revenue from research and development services of $0.2 million each for the three months ended September 30, 2022 and 2021, and $0.7 million and $0.6 million, for the nine months ended September 30, 2022 and 2021, respectively. In addition, we recognized revenue for the delivery of fostamatinib to Grifols of $0.4 million and none for the three months ended September 30, 2022 and 2021, respectively, and $1.6 million and $1.0 million, for the nine months ended September 30, 2022 and 2021, respectively.

During the three and nine months ended September 30, 2022, we recognized $0.1 million of initial royalty revenue from Grifols, and such amount was included within contract revenues from collaboration. No such revenue was recognized during the same periods in 2021.

The remaining future variable consideration of $277.5 million related to future regulatory and commercial milestones were fully constrained because we cannot conclude that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, given the inherent uncertainty of success with these future milestones. We are recognizing revenues related to the research and regulatory services throughout the term of the respective clinical programs using the input method. For sales-based milestones and royalties, we determined that the license is the predominant item to which the royalties or sales-based milestones relate. Accordingly, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). We will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

Kissei License Agreement

In October 2018, we entered into an exclusive license and supply agreement with Kissei to develop and commercialize fostamatinib in all current and potential indications in Japan, China, Taiwan and the Republic of Korea. Kissei is responsible for performing and funding all development activities for fostamatinib in the above-mentioned territories. We received an upfront cash payment of $33.0 million, with the potential for up to an additional $147.0 million in development, regulatory and commercial milestone payments, and will receive mid- to upper twenty percent, tiered, escalated net sales-based payments for the supply of fostamatinib. Under the agreement, we granted Kissei the license rights to fostamatinib in the territories above and are obligated to supply Kissei with drug product for use in clinical trials and pre-commercialization activities. We are also responsible for the manufacture and supply of fostamatinib for all future development and commercialization activities under the agreement.

We accounted for this agreement under ASC 606 and identified the following distinct performance obligations at inception of the agreement: (a) granting of the license, (b) supply of fostamatinib for clinical use and (c) material right associated with discounted fostamatinib that is supplied for use other than clinical or commercial. In addition, we will provide commercial product supply if the product is approved in the licensed territory. We concluded that each of these

performance obligations is distinct. We based our assessment on the following: (i) our assessment that Kissei can benefit from the license on its own by developing and commercializing the underlying product using its own resources and (ii) the fact that the manufacturing services are not highly specialized in nature and can be performed by other vendors. Moreover, we determined that the upfront fee of $33.0 million represented the transaction price and was allocated to the performance obligations based on our best estimate of the relative standalone selling price as follows: (a) for the license, we estimated the standalone selling price using the adjusted market assessment approach to estimate its standalone selling price in the licensed territories; (b) for the supply of fostamatinib and the material right associated with discounted fostamatinib, we estimated the standalone selling price using the cost plus expected margin approach. Variable consideration of $147.0 million related to future development and regulatory milestones was fully constrained because we cannot conclude that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, given the inherent uncertainty of success with these future milestones. We will recognize revenues related to the supply of fostamatinib and material right upon delivery of fostamatinib to Kissei. For sales-based milestones and royalties, we determined that the license is the predominant item to which the royalties or sales-based milestones relate to. Accordingly, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). We will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

As of September 30, 2022 and December 31, 2021, the remaining deferred revenue was related to the material right associated with discounted fostamatinib supply which amounted to $1.4 million. No material revenue was recognized during the three and nine months ended September 30, 2022 and 2021 associated with such outstanding deferred revenue.

During the three and nine months ended September 30, 2022, we recognized an immaterial amount of revenue and $2.6 million of revenue, respectively, related to the delivery of fostamatinib supply to Kissei mainly for commercial use. No such revenue was recognized during the same periods in 2021.

In April 2022, Kissei announced that a new drug application was submitted to Japan's Pharmaceuticals and Medical Devices Agency for fostamatinib in chronic ITP. With this milestone event, we received $5.0 million non-refundable and non-creditable payment from Kissei pursuant to the terms of our collaboration agreement. Such amount was recognized as revenue in the second quarter of 2022.

Medison Commercial and License Agreements

In October 2019, we entered into two exclusive commercial and license agreements with Medison for the commercialization of fostamatinib for chronic ITP in Israel and in Canada, pursuant to which we received a $5.0 million upfront payment with respect to the agreement in Canada. We accounted for this agreement under ASC 606 and identified the following combined performance obligations at inception of the agreement: (a) granting of the license and (b) obtaining regulatory approval in Canada of fostamatinib in ITP. We determined that the non-refundable upfront fee of $5.0 million represented the transaction price. However, under the agreement, we have the option to buy back all rights to the product in Canada within six months from obtaining regulatory approval for the treatment of AIHA in Canada. The buyback option precludes us from transferring control of the license to Medison under ASC 606. We believe that the buyback provision, if exercised, will require us to repurchase the license at an amount equal to or more than the upfront $5.0 million. As such, this arrangement was accounted for as a financing arrangement. Interest expense is being accreted on such liability over the expected buyback period. No interest was accreted during the three and nine months ended September 30, 2022. During the three and nine months ended September 30, 2021, we accrued interest amounting to $0.1 million and $0.4 million, respectively, related to this financing arrangement. As of September 30, 2022 and December 31, 2021, the outstanding financing liability to Medison of $5.7 million and $5.6 million, respectively, was included within other long-term liabilities in the condensed balance sheet.

Knight Commercial License and Supply Agreement

In May 2022, we entered into commercial license and supply agreements with Knight for the commercialization of fostamatinib for approved indications in Knight territory. Pursuant to such commercial license agreement, we received a $2.0 million one-time, non-refundable, and non-creditable upfront payment, with potential for up to an additional $20.0 million in regulatory and sales-based commercial milestone payments, and will receive twenty- to mid-thirty percent,

tiered, escalated net-sales based royalty payments for products sold in the Knight territory. We accounted for this agreement under ASC 606 and identified that the upfront payment was a consideration for granting Knight the license to commercialize fostamatinib for approved indication in the Knight territory, and no further material deliverables associated to such upfront payment. As such, we recognized the upfront payment as revenue during the second quarter of 2022. Variable consideration related to future regulatory milestones was fully constrained because we cannot conclude that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, given the inherent uncertainty of success with these future milestones. For sales-based milestones and royalties, we determined that the license is the predominant item to which the royalties or sales-based milestones relate to. Accordingly, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all the royalty has been allocated has been satisfied (or partially satisfied). We will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur. We are also responsible for the exclusive manufacture and supply of fostamatinib for all future development and commercialization activities under agreement.

Other license agreements

In February 2021, we entered into a non-exclusive license agreement with an unrelated third party whereby we granted such unrelated third party rights to a certain patent. In consideration for the license rights granted, we received a one-time fee of $4.0 million. All the deliverables under the agreement had been delivered and the one-time fee was recognized as revenue during the first quarter of 2021.

Government Contract - US Department of Defense's JPEO-CBRND

In January 2021, we were awarded up to $16.5 million by the US Department of Defense to support our ongoing Phase 3 clinical trial to evaluate the safety and efficacy of fostamatinib for the treatment of hospitalized high-risk patients with COVID-19. The amount of award we will receive from the US Department of Defense is subject to submission of proper documentation as evidence of completion of certain clinical trial events or milestones as specified in the agreement, and approval by the US Department of Defense that such events or milestones have been met. We determined that this government award should be accounted for under IAS 2, *Accounting for Government Grants and Disclosure of Government Assistance,* which is outside of the scope of Topic 606, as the US Department of Defense is not receiving reciprocal value for their contributions. We record government contract revenue in the statement of operations in the period when it is probable that we will receive the award, which is when we comply with the conditions associated with the award and obtain approval from the US Department of Defense that such conditions have been met. For the three and nine months ended September 30, 2022, we recognized $2.5 million of revenue related to this grant. For the three and nine months ended September 30, 2021, we recognized $1.0 million and $9.5 million of revenue, respectively, related to this grant. Through September 30, 2022, we recognized $13.0 million revenue and we expect to receive the remaining award of $3.5 million throughout the period we conduct our clinical trial, subject to us meeting certain clinical trial events or milestones and approval by the US Department of Defense as specified in the agreement.

License and Transition Services Agreement with Forma

On July 27, 2022, we entered into a license and transition services agreement with Forma for an exclusive license to develop, manufacture and commercialize olutasidenib, Forma's proprietary inhibitor of mIDH1, for any uses worldwide, including for the treatment of AML and other malignancies. Pursuant to the terms of the license and transition services agreement, we paid Forma an upfront fee of $2.0 million, with the potential to pay up to $67.5 million of additional payments upon achievement of specified development and regulatory milestones and up to $165.5 million of additional payments upon achievement of certain commercial milestones. The potential development and regulatory milestone payments of $67.5 million include a $2.5 million payment upon achievement of a certain near-term regulatory milestone, a $5.0 million payment upon the first regulatory approval of the licensed product, and $10.0 million payment upon the licensed product's first commercial sale subject to certain other conditions. In addition, subject to the terms and conditions of the license and transition services agreement, Forma would be entitled to tiered royalty payments on net sales of licensed products at percentages ranging from low-teens to mid-thirties, as well as certain portion of our sublicensing revenue, subject to certain standard reductions and offsets.

Forma has submitted an NDA for olutasidenib for the treatment of m1DH1 relapsed/refractory (R/R) AML to the FDA and the Prescription Drug User Fee Act (PDUFA) action date for the application is February 15, 2023.

The transaction was accounted for as an acquisition of asset under ASC 730, *Research and Development*. In accordance with the guidance, in a transaction accounted for as an asset acquisition, any acquired in-process research and development (IPR&D) that does not have alternative future use is charged to expense at the acquisition date. At the acquisition date, the acquired license asset was accounted for as IPR&D, and we do not anticipate any economic benefit to be derived from such acquired licensed asset other than the primary indications. As such, we accounted for the upfront fee of $2.0 million paid to Forma as IPR&D and recorded such cost within research and development expenses in the condensed statements of operations for the three and nine months ended September 30, 2022.

Under the accounting guidance, contingent cash payments will be accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. We will account for milestone payment obligations incurred at development stage and prior to a regulatory approval of an indication associated with the acquired licensed asset as research and development expenses when the event requiring payment of the milestone occurs. Milestone payment obligations incurred upon and after a regulatory approval of an indication associated with the acquired licensed asset, and at the commercial stage, will be recorded as intangible asset when the event requiring payment of the milestones occurs. The amount recorded as intangible asset will be amortized over the estimated useful life of the acquired licensed asset. Royalty payments related to the acquired licensed asset will be recorded as cost of sales when incurred. As of September 30, 2022, no milestone payment was met. In October 2022, the near-term regulatory milestone was met which entitles Forma to receive a $2.5 million milestone payment. Since such milestone payment obligation was incurred prior to a regulatory approval of an indication associated with the acquired licensed asset, we will record such amount as research and development expense in the fourth quarter of 2022.

5. Stock-Based Compensation

Stock-based compensation for the periods presented was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Selling, general and administrative	$ 2,119	$ 1,800	$ 6,791	$ 5,625
Research and development	588	402	1,514	1,522
Total stock-based compensation expense	$ 2,707	$ 2,202	$ 8,305	$ 7,147

In March 2022, our Board of Directors approved to extend the exercise period of the stock option grants made to our two former Board of Directors whose terms expired in May 2022. As a result of this modification, we recorded an incremental stock-based compensation expense of approximately $0.8 million in the first quarter of 2022. The amount was included within selling, general and administrative expense in the condensed statement of operations.

During the nine months ended September 30, 2022, we granted stock options to purchase 5,523,247 shares of common stock with weighted-average grant-date fair value of $1.60 per share, and 433,318 stock options were exercised. As of September 30, 2022, there were 32,686,792 stock options outstanding, of which, 2,535,000 are outstanding performance-based stock options wherein the achievement of the corresponding corporate-based milestones were not considered probable as of September 30, 2022. Accordingly, none of the $5.0 million grant date fair value for these awards has been recognized as stock-based compensation expense through September 30, 2022.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. The following table summarizes the weighted-average assumptions relating to options granted pursuant to our Equity Incentive Plans (2018 Equity Incentive Plan and Inducement Plan) for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Risk-free interest rate	3.0 %	1.1 %	1.9 %	1.0 %
Expected term (in years)	6.1	6.0	6.5	6.5
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %
Expected volatility	80.9 %	70.4 %	70.5 %	70.6 %

During the nine months ended September 30, 2022, we granted 1,181,362 restricted stock units (RSUs) with a grant-date weighted-average fair value of $2.36 per share, and 203,750 RSUs were released. The RSUs granted generally vest over 4 years. As of September 30, 2022, there were 1,174,232 RSUs outstanding.

As of September 30, 2022, there was approximately $15.8 million of unrecognized stock-based compensation which is expected to be recognized over a remaining weighted-average period of 2.75 years related to time-based stock options, RSUs and performance-based stock options where achievement of the corresponding corporate-based milestones was considered probable as of September 30, 2022.

In January 2022 and April 2022, our Board of Directors approved the increase of 610,000 shares and 626,000 shares, respectively, of common stock reserved for issuance under the Inducement Plan. In May 2022 at the annual stockholders meeting, our stockholders approved to amend our 2018 Equity Incentive Plan (2018 Plan), among other items, added an additional 5,000,000 shares to the number of shares of common stock authorized for issuance under the 2018 Plan. As of September 30, 2022, there were 12,353,820 shares of common stock available for future grant under our Equity Incentive Plans.

Employee Stock Purchase Plan

Our Purchase Plan permits our eligible employees to purchase common stock at a discount through payroll deductions during the offering period. Our Purchase Plan provides for a twenty-four-month offering period comprised of four six-month purchase periods with a look-back option. A look-back option is a provision in our Purchase Plan under which eligible employees can purchase shares of our common stock at a price per share equal to the lesser of 85% of the fair market value on the first day of the offering period or 85% of the fair market value on the purchase date. Our Purchase Plan also includes a feature that provides for a new offering period to begin when the fair market value of our common stock on any purchase date during an offering period falls below the fair market value of our common stock on the first day of such offering period. This feature is called a “reset.” Participants are automatically enrolled in the new offering period.

Our previous twenty-four-month offering period under our Purchase Plan ended on June 30, 2022, and a new twenty-four-month offering period started on July 1, 2022. The fair value of awards under our Purchase Plan is estimated on the date of our new offering period using the Black-Scholes option pricing model, which is being amortized over the requisite service periods. As of September 30, 2022, unrecognized stock-based compensation cost related to our Purchase Plan amounted to $1.4 million, which is expected to be recognized over the remaining weighted average period of 0.99 years.

During the nine months ended September 30, 2022, there were 597,042 shares purchased under the Purchase Plan. As of September 30, 2022, there were 3,987,442 shares reserved for future issuance under the Purchase Plan.

6. Inventories

Inventories for the periods presented consist of the following (in thousands):

	September 30, 2022	December 31, 2021
Raw materials	$ 4,555	$ 5,142
Work in process	1,244	162
Finished goods	1,317	1,312
Total	$ 7,116	$ 6,616

As of September 30, 2022, we have $0.7 million in advance payments to the manufacturer of our raw materials, which was included within prepaid and other current assets in the condensed balance sheet.

7. Cash, Cash Equivalents and Short-Term Investments

Cash, cash equivalents and short-term investments for the periods presented consist of the following (in thousands):

	September 30, 2022	December 31, 2021
Cash	$ 3,705	$ 6,249
Money market funds	8,084	6,842
US treasury bills	17,160	35,366
Government-sponsored enterprise securities	23,898	14,678
Corporate bonds and commercial paper	28,795	61,832
	$ 81,642	$ 124,967
Reported as:		
Cash and cash equivalents	$ 29,866	$ 18,890
Short-term investments	51,776	106,077
	$ 81,642	$ 124,967

Cash equivalents and short-term investments include the following securities with gross unrealized gains and losses (in thousands):

September 30, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
US treasury bills	$ 17,272	$ —	$ (112)	$ 17,160
Government-sponsored enterprise securities	24,017	4	(123)	23,898
Corporate bonds and commercial paper	28,850	—	(55)	28,795
Total	$ 70,139	$ 4	$ (290)	$ 69,853

December 31, 2021	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
US treasury bills	$ 35,416	$ —	$ (50)	$ 35,366
Government-sponsored enterprise securities	14,705	—	(27)	14,678
Corporate bonds and commercial paper	61,857	2	(27)	61,832
Total	$ 111,978	$ 2	$ (104)	$ 111,876

As of September 30, 2022 and December 31, 2021, our cash equivalents and short-term investments had a weighted-average time to maturity of approximately 105 days and 196 days, respectively. Our short-term investments are classified as available-for-sale securities. Accordingly, we have classified certain securities as short-term investments on our condensed balance sheets as they are available for use in the current operations. As of September 30, 2022, we had no investments that had been in a continuous unrealized loss position for more than 12 months. As of September 30, 2022, a total of 36 individual securities had been in an unrealized loss position for 12 months or less, and the losses were determined to be temporary. The gross unrealized losses above were caused by interest rate increases. No significant facts or circumstances have arisen to indicate that there has been any significant deterioration in the creditworthiness of the issuers of the securities held by us. Based on our review of these securities, including our assessment of the duration and severity of unrealized losses, there were no other-than-temporary impairments for these securities as of September 30, 2022.

The following table shows the fair value and gross unrealized losses of our investments in individual securities that are in an unrealized loss position, aggregated by investment category (in thousands):

September 30, 2022	Fair Value	Unrealized Losses
US treasury bills	$ 17,160	$ (112)
Government-sponsored enterprise securities	14,239	(123)
Corporate bonds and commercial paper	28,795	(55)
Total	$ 60,194	$ (290)

8. Fair Value

The table below summarizes the fair value of our cash equivalents and short-term investments measured at fair value on a recurring basis, and are categorized based upon the lowest level of significant input to the valuations (in thousands):

	Assets at Fair Value as of September 30, 2022			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 8,084	$ —	$ —	$ 8,084
US treasury bills	—	17,160	—	17,160
Government-sponsored enterprise securities	—	23,898	—	23,898
Corporate bonds and commercial paper	—	28,795	—	28,795
Total	$ 8,084	$ 69,853	$ —	$ 77,937

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 6,842	$ —	$ —	$ 6,842
US treasury bills	—	35,366	—	35,366
Government-sponsored enterprise securities	—	14,678	—	14,678
Corporate bonds and commercial paper	—	61,832	—	61,832
Total	$ 6,842	$ 111,876	$ —	$ 118,718

9. Debt

We have a Credit and Security Agreement (Credit Agreement) with MidCap Financial Trust (MidCap) entered on September 27, 2019 (Closing Date) and amended on March 29, 2021 (First Amendment), February 11, 2022 (Second Amendment) and July 27, 2022 (Third Amendment). The Credit Agreement provides for a $60.0 million term loan credit facility. At the Closing Date, $10.0 million was funded (Tranche 1), in May 2020, an additional $10.0 million was funded (Tranche 2), at the Second Amendment, an additional $10.0 million was funded (Tranche 3), and at the Third Amendment, an additional $10.0 million was funded (Tranche 4). As of September 30, 2022, the outstanding principal balance of the loan was $40.0 million, and the facility gives us the ability to access an additional $20.0 million aggregate principal amount of term loan at our option through March 31, 2023 (Tranche 5).

The First Amendment to the Credit Agreement entered in March 2021 extended the period through which Tranche 3 was available to us. The Second Amendment to the Credit Agreement entered in February 2022, among other things, amended the applicable funding conditions, applicable commitments and certain other terms relating to available credit facilities (Tranches 3 and 4), added additional term loan credit facility (Tranche 5), and revised certain terms related to the financial covenants.

Prior to the Third Amendment, the outstanding principal balance of the loan bore interest at an annual rate of one-month London Interbank Offered Rate (LIBOR), or a comparable applicable index rate determined pursuant to the Credit Agreement if the LIBOR is no longer available, plus applicable margin of 5.65%, subject to a LIBOR floor of 1.50% and is payable monthly in arrears. Further, the Credit Agreement provided for an interest-only payment period of 24 months from October 1, 2019, followed by 36 months of amortization payments. The interest-only period can also be extended to 36 months (first interest-only extension) and again to 48 months (second interest-only extension) upon the satisfaction of certain conditions set forth in the Credit Agreement. In June 2021 and June 2022, we satisfied the first and second interest-only extension conditions, respectively, which effectively extended the interest-only period through

October 1, 2023. All unpaid principal and accrued interest were due and payable no later than September 1, 2024, and a final payment fee of 2.5% of principal was due on the final payment of the term loan.

Following the Third Amendment, the maturity date for the term loans was extended to September 1, 2026, and the interest-only period was extended to October 1, 2024. Further, the interest rate benchmark was changed from LIBOR to Secured Overnight Financing Rate (SOFR). The interest rate applicable to the term loans under the amended Credit Agreement is the sum of one-month SOFR, plus an adjustment of 0.11448%, subject to 1.50% applicable floor, plus applicable margin of 5.65%. A final payment fee of 2.5% of principal is due at maturity date of the term loans.

Under the amended Credit Agreement, the prepayment fee applicable to the term loans was reset at the Third Amendment date. We may make voluntary prepayments, in whole or in part, subject to certain prepayment premiums and additional interest payments. The Credit Agreement also contains certain provisions, such as event of default and change in control provisions, which, if triggered, would require us to make mandatory prepayments on the term loan, which are subject to certain prepayment premiums and additional interest payments. The obligations under the amended Credit Agreement are secured by a perfected security interest in all of our assets including our intellectual property.

The amendment to the Credit Agreement was accounted for as debt modification. As such, fees paid to Midcap of $0.4 million were recorded as additional debt discount and added to the unamortized debt discount that are being amortized as interest expense through maturity using the effective interest rate method. Debt issuance costs are recorded as a direct deduction from the outstanding principal balance of the term loan. As of September 30, 2022 and December 31, 2021, the unamortized issuance costs and debt discounts amounted to $0.5 million and $0.1 million, respectively. As of September 30, 2022 and December 31, 2021, the outstanding balance of the loan, net of unamortized debt discount was classified as long-term liability in the accompanying condensed balance sheet.

Interest expense, including amortization of the debt discount and accretion of the final fees related to the Credit Agreement for the three months ended September 30, 2022 and 2021 was $0.8 million and $0.4 million, respectively, and for the nine months ended September 30, 2022 and 2021 was $1.9 million and $1.2 million, respectively. Accrued interest of $0.7 million was included within other accrued liabilities in the condensed balance sheet as of September 30, 2022.

The following table presents the future minimum principal payments of the outstanding loan as of September 30, 2022 (in thousands):

Remainder of 2022	$	—
2023		—
2024		5,000
2025		20,000
2026		15,000
Principal amount (Tranches 1, 2, 3 and 4)	$	40,000

The amended Credit Agreement contains certain covenants which, among others, require us to deliver financial reports at designated times of the year and maintain minimum unrestricted cash and trailing net revenues. As of September 30, 2022, we were not in violation of any covenants.

10. Leases

We currently lease our research and office space under a noncancelable lease agreement with our landlord, Healthpeak Properties, Inc. (formerly known as HCP BTC, LLC), which originally set to expire in 2018, and was extended in July 2017 for another five years through January 2023. In March 2022, we entered an amendment to the lease agreement to waive our option or right to further extend the term of the lease. The weighted average remaining term of our lease as of September 30, 2022 was 0.33 years. On October 28, 2022, we entered into a sublease agreement. See further discussions in Note 12 - Subsequent Events.

We have a sublease agreement originally entered in December 2014, and subsequently amended in February 2017 and July 2017, with an unrelated third party to occupy a portion of our research and office space which expire in January 2023.

As of September 30, 2022, we received from our landlord leasehold improvement incentives amounting to $0.7 million related to leasehold improvements. We record these leasehold improvement incentives as a reduction to operating lease right-of-use asset and lease liability until the lease ends and the asset is transferred.

We recorded rent expense on a straight-line basis for our lease, net of sublease income. For our sublease arrangement which we classified as an operating lease, our loss on the sublease was comprised of the present value of our future payments to our landlord less the present value of our future rent payments expected from our subtenant over the term of the sublease.

The components of our operating lease expense were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Fixed operating lease expense	$ 1,340	$ 1,340	$ 4,020	$ 4,020
Variable operating lease expense	211	259	602	651
Total operating lease expense	$ 1,551	$ 1,599	$ 4,622	$ 4,671

Supplemental information related to our operating lease were as follow (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cash payments included in the measurement of operating lease liabilities	$ 2,630	$ 2,529	$ 7,856	$ 7,554

Supplemental information related to our operating sublease was as follow (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Fixed sublease expense	$ 1,095	$ 1,095	$ 3,285	$ 3,285
Variable sublease expense	232	236	682	680
Sublease income	(1,327)	(1,331)	(3,967)	(3,965)
Net	$ —	$ —	$ —	$ —

The following table presents the future lease payments of our operating lease liabilities as of September 30, 2022 (in thousands):

	Operating Lease	Sublease Receipts	Net
Remainder of 2022	$ 2,630	(1,183)	1,447
2023	877	(394)	483
Total minimum payments required	$ 3,507	$ (1,577)	$ 1,930

11. Income Taxes

For the three and nine months ended September 30, 2022, we did not recognize provision for income taxes due to our pre-tax book loss as we continue to record a full valuation allowance on our deferred tax assets considering our cumulative losses in prior years and forecasted losses in the future. For the three and nine months ended September 30, 2021, we recorded a benefit from income tax of $0.1 million and a provision for income tax of $0.7 million, respectively. The benefit from and the provision for income tax for the three and nine months ended September 30, 2021 were determined using our effective tax rate on our year-to-date income (loss). We estimated a state tax liability over our pre-tax income (loss) for 2021, which was primarily due to revenue recognized for the Lilly Agreement. We did not estimate a provision for federal income taxes due to the sufficient net operating loss carryforwards that were generated prior to enactment of the Tax Cuts and Jobs Act, as well as our ability to utilize significant research and development credit carryforwards.

12. Subsequent Events

Restructuring

On October 10, 2022, we announced a reduction in our workforce primarily in our development and administration groups. All affected employees will be eligible to receive, among other things, specified severance payments based on the applicable employee's level and years of service with us. We expect to complete the workforce reduction by January 31, 2023. We recognize restructuring charges when the liability is probable, and the amount is estimable. The related employee termination benefits are accrued at the date management has committed to a plan of termination and affected employees have been notified of their termination date and expected severance benefits. As such, we expect to recognize the restructuring charges in the fourth quarter of 2022.

Sublease Agreement

On October 28, 2022, we entered into a sublease agreement with Atara Biotherapeutics, Inc. (Atara) to sublease approximately 13,670 rentable square feet of office space located in South San Francisco, California. Subject to the terms of the sublease agreement, the lease term shall commence no sooner than November 1, 2022 and shall expire on May 24, 2025. The future lease payments associated with this sublease agreement are approximately $1.7 million. We expect this new leased facility will be held as our new Headquarters following the expiration of our current leased facility in South San Francisco, California in January 2023. In accordance with ASC 842, Leases, we expect to recognize the operating lease right-of-use asset and lease liability associated with this sublease agreement in the fourth quarter of 2022.

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

This discussion and analysis should be read in conjunction with our financial statements and the accompanying notes included in this report and the audited financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 1, 2022. Our financial results for the three and nine months ended September 30, 2022 are not necessarily indicative of results that may occur in future interim periods or for the full fiscal year.

This Quarterly Report on Form 10-Q contains statements indicating expectations about future performance and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), that involve risks and uncertainties. We usually use words such as "may," "will," "would," "should," "could," "expect," "plan," "anticipate," "might," "believe," "estimate," "predict," "intend," or the negative of these terms or similar expressions to identify these forward-looking statements. These statements appear throughout this Quarterly Report on Form 10-Q and are statements regarding our current expectations, beliefs or intent, primarily with respect to our operations and related industry developments. Examples of these statements include, but are not limited to: our expectations regarding the impact of the global COVID-19 pandemic; our business and scientific strategies; risks and uncertainties associated with the commercialization and marketing of TAVALISSE in the US and in Europe; risks that the FDA, EMA or other regulatory authorities may make adverse decisions regarding fostamatinib; the progress of our and our collaborators' product development programs, including clinical testing, and the timing of results thereof; our corporate collaborations and revenues that may be received from our collaborations and the timing of those potential payments; our expectations with respect to regulatory submissions and approvals; our drug discovery technologies; our research and development expenses; protection of our intellectual property and our intention to vigorously enforce our intellectual property rights; sufficiency of our cash and capital resources and the need for additional capital; and our operations and legal risks. You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including as a result of the risks and uncertainties discussed under the heading "Risk Factors" in Item 1A of Part II of this Quarterly Report on Form 10-Q. Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as required by applicable law. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor 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.

Overview

We are a biotechnology company dedicated to discovering, developing and providing novel small molecule drugs that significantly improve the lives of patients with hematologic disorders, cancer and rare immune diseases. Our pioneering research focuses on signaling pathways that are critical to disease mechanisms. Our first product approved by the FDA is TAVALISSE® (fostamatinib disodium hexahydrate) tablets, the only oral SYK inhibitor, for the treatment of adult patients with chronic ITP who have had an insufficient response to a previous treatment. The product is also commercially available in Europe, the UK (TAVLESSE) and Canada (TAVALISSE) for the treatment of chronic ITP in adult patients.

Our portfolio also includes olutasidenib, an oral, small molecule inhibitor of mIDH1 being investigated for the treatment of AML and other malignancies. We in-licensed olutasidenib from Forma with exclusive, worldwide rights to develop, manufacture, and commercialize the investigational drug.

We conducted a Phase 3 clinical trial evaluating fostamatinib for the treatment of wAIHA, and recently announced that we do not expect to file a sNDA for this indication at this time considering the top-line data results and the guidance received from the FDA. We recently announced the completion of the FOCUS Phase 3 clinical trial of fostamatinib for the treatment of hospitalized high-risk patients with COVID-19. Fostamatinib is also currently being studied in an NIH/NHLBI sponsored Phase 3 trial (ACTIV-4 Host Tissue Trial) for the treatment of COVID-19 in hospitalized patients.

Our other clinical programs include our IRAK inhibitor program and a RIPK1 inhibitor program in clinical development with partner Lilly. In addition, we have product candidates in clinical development with partners BerGenBio and Daiichi.

Business Update

TAVALISSE IN ITP

For the nine months ended September 30, 2022, net product sales of TAVALISSE were $53.9 million, a 19% increase compared to the same period in 2021. The increase in our net product sales was primarily driven by the increase in quantities sold as well as the increase in price per bottle of TAVALISSE. These increases were partially offset by the increase in revenue reserves mainly due to higher rebates on recent contracts entered with certain Pharmacy Benefits Managers (PBMs), and higher government program rebates. Our first quarter net sales are typically impacted by the first quarter reimbursement issues such as the resetting of co-pays and the Medicare donut hole.

We continue to deploy resources to enable our field-based employees to continue to engage with health care providers, either in-person or virtually. These engagements have enabled our field team to support existing prescribers, as well as develop relationships with new prescribers to identify appropriate patients for TAVALISSE. In the third quarter of 2021, we expanded our sales force by increasing our territories.

The COVID-19 pandemic has, and may continue to, adversely impact our business and operations. The degree to which the COVID-19 pandemic continues to affect our business and operations will depend on developments that are highly uncertain and beyond our knowledge or control. Periodic resurgence of COVID-19 cases negatively impacted and may continue to impact our ability to grow our product sales. As COVID-19 cases surge, we have observed reduced patient-doctor interactions and our representatives are having fewer visits with health care providers. We continue to maintain our virtual engagements and as we see the declining trend in number of COVID-19 cases, we expect to continue to increase the in-person engagement with health care providers. We began to see increased in-person engagements with health care providers in the beginning of 2021, however, in the fourth quarter of 2021, the Omicron variant surged which again limited our access. In 2022, we have seen increasing demand for TAVALISSE as in-person interactions have increased and more patients have started therapy.

License and Transition Services Agreement with Forma

On July 27, 2022, we entered into a license and transition services agreement with Forma for an exclusive license to develop, manufacture and commercialize olutasidenib, Forma's proprietary, investigational inhibitor of mIDH1, for any uses worldwide, including for the treatment of AML and other malignancies. Pursuant to the terms of the license and transition services agreement, we paid Forma an upfront fee of $2.0 million, with the potential to pay up to $67.5 million additional payments upon achievement of specified development and regulatory milestones and up to $165.5 million additional payments upon achievement of certain commercial milestones. The potential development and regulatory milestone payments of $67.5 million include a $2.5 million payment upon achievement of certain near-term regulatory milestone, a $5.0 million payment upon the first regulatory approval of the licensed product, and $10.0 million payment upon the licensed product's first commercial sale subject to certain other conditions. In addition, subject to the terms and conditions of the license and transition services agreement, Forma would be entitled to tiered royalty payments on net sales of licensed products at percentages ranging from low-teens to mid-thirties, as well as certain portions of our sublicensing revenue, subject to certain standard reductions and offsets. As of September 30, 2022, no milestone payment was met. In October 2022, the near-term regulatory milestone was met which entitles Forma to receive a $2.5 million milestone payment.

Forma has submitted an NDA for olutasidenib for the treatment of m1DH1 R/R AML to the FDA and the PDUFA action date for the application is February 15, 2023. Olutasidenib is highly synergistic with our existing hematology-oncology focused commercial and medical affairs infrastructure and if approved, would be our second commercial product in this space. For more detailed discussions of in-licensed olutasidenib compound from Forma, refer to "In-licensed Program" section below.

On October 14, 2022, Novo Nordisk A/S (Novo Nordisk) announced the completion of the acquisition of Forma. Following this acquisition, Forma became a wholly owned subsidiary of Novo Nordisk.

Fostamatinib in wAIHA

In June 2022, we announced top-line efficacy and safety data results from our FORWARD study, a Phase 3 pivotal trial of fostamatinib, an oral SYK inhibitor, in patients with wAIHA, which we initiated in March 2019. We completed the enrollment of our FORWARD study in November 2021 with 90 patients enrolled and completed the treatment period for the last patient under the study in April 2022. The results of the trial did not demonstrate statistical significance in the primary efficacy endpoint of durable hemoglobin response in the overall study population. For more detailed discussions of the results of the trial, refer to "Clinical Stage Programs" section below. We conducted an in-depth analysis of these data to better understand differences in patient characteristics and outcomes and submitted these findings to the FDA. In October 2022, we announced that we received guidance from the FDA's review of these findings. Based on this guidance, we do not expect to file a supplemental New Drug Application (sNDA) for this indication at this time. We will continue to explore our options for the wAIHA program in relation to our complete portfolio of development opportunities.

Of the 90 patients that completed the FORWARD Phase 3 study, 71 (79%) enrolled in the open-label extension study. We plan on closing this study in 2023.

Fostamatinib in Hospitalized COVID-19 patients

In April 2021, we reported positive top-line results from a multi-center, Phase 2 clinical trial sponsored by the NIH/NHLBI, evaluating the safety of fostamatinib, our oral SYK inhibitor, for the treatment of hospitalized patients with COVID-19. The trial met its primary endpoint of comparable safety than standard of care (SOC) and showed broad and consistent improvement in numerous efficacy endpoints, including mortality, ordinal scale assessment, and number of days in the intensive care unit (ICU). In May 2021, the trial data were submitted as part of a request for an Emergency Use Authorization (EUA) from the FDA for fostamatinib as a treatment for hospitalized patients with COVID-19. In August 2021, the FDA informed us that the clinical data submitted from the NIH/NHLBI-sponsored Phase 2 trial of fostamatinib to treat hospitalized patients suffering from COVID-19 were insufficient to support an EUA. In September 2021, the data from the NIH/NHLBI-sponsored Phase 2 trial was published in Clinical Infectious Diseases, an official publication of the Infectious Disease Society of America.

In November 2020, we launched a pivotal Phase 3 clinical trial to evaluate the safety and efficacy of fostamatinib in hospitalized COVID-19 patients without respiratory failure that have certain high-risk prognostic factors. In July 2022, we completed enrollment with 280 patients. The trial had originally targeted a total of 308 patients; however, we determined the trial would be sufficiently powered with 280 patients to potentially provide a clinically meaningful result and determine the efficacy and safety of fostamatinib in hospitalized COVID-19 patients. On November 1, 2022, we announced the top-line results from the FOCUS Phase 3 clinical trial of fostamatinib in high risk hospitalized COVID-19 patents. The trial approached but did not meet statistical significance (p=0.0603) in the primary efficacy endpoint of the number of days on oxygen through Day 29. All prespecified secondary endpoints in the study numerically favored fostamatinib over placebo, including mortality, time to sustained recovery, change in ordinal scale assessment, and number of days in the ICU. We are evaluating the opportunity and next steps in collaboration with our partner, the US Department of Defense.

In June 2021, we announced that fostamatinib has been selected for the NIH ACTIV-4 Host Tissue Trial in hospitalized patients with COVID-19. The ACTIV-4 Host Tissue Trial, initiated and funded by NHLBI, is a randomized, placebo-controlled trial of therapies, including fostamatinib, targeting the host response to COVID-19 in hospitalized patients. The ACTIV-4 Host Tissue Trial will evaluate fostamatinib in a targeted population of approximately 300 hospitalized patients with COVID-19.

Global Strategic Partnership with Lilly

In February 2021, we entered into a global exclusive license agreement and strategic collaboration with Lilly (the Lilly Agreement), to develop and commercialize R552, a RIPK1 inhibitor, for the treatment of non-central nervous system (non-CNS) diseases. In addition, the collaboration is aimed at developing additional RIPK1 inhibitors for the treatment of central nervous system (CNS) diseases. Pursuant to the terms of the license agreement, we granted to Lilly the exclusive rights to develop and commercialize R552 and related RIPK1 inhibitors in all indications worldwide. The parties' collaboration is governed through a joint governance committee and appropriate subcommittees. The agreement became effective in March 2021 upon clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

We are responsible for 20% of the development costs for R552 in the US, Europe, and Japan, up to a specified cap. Lilly is responsible for funding the remainder of all development activities for R552 and other non-CNS disease development candidates. We have the right to opt-out of co-funding the R552 development activities in the US, Europe and Japan at two different specified times. If we exercise our first opt-out right (no later than September 30, 2023), we are required to fund our share of the R552 development activities in the US, Europe, and Japan up to a maximum funding commitment of $65.0 million through April 1, 2024. Under the Lilly Agreement, we were responsible for performing and funding initial discovery and identification of CNS disease development candidates, and following candidate selection, Lilly will be responsible for performing and funding all future development and commercialization of the CNS disease development candidates. In June 2022, Lilly provided notice of continuance pursuant to the terms of the Lilly Agreement, whereby Lilly elected its option to lead the identification and selection of CNS penetrant lead candidate.

Under the terms of the license agreement, we were entitled to receive a non-refundable and non-creditable upfront cash payment amounting to $125.0 million, which we received in April 2021. We are also entitled for additional milestone payments for non-CNS disease products consisting of up to $330.0 million in milestone payments upon the achievement of specified development, regulatory and commercial milestones, and up to $100.0 million in sales milestone payments on a product-by-product basis. In addition, depending on the extent of our co-funding of R552 development activities, we would be entitled to receive tiered royalty payments on net sales of non-CNS disease products at percentages ranging from the mid-single digits to high-teens, subject to certain standard reductions and offsets. We are also eligible to receive milestone payments for CNS disease products consisting of up to $255.0 million in milestone payments upon the achievement of specified development, regulatory and commercial milestones and up to $150.0 million in sales milestone payments on a product-by-product basis. We would be entitled to receive tiered royalty payments on net sales of CNS disease products up to low-double digits, subject to certain standard reductions and offsets.

Lilly continues to advance R552, a RIPK1 inhibitor, with the initial Phase 2 study in an immunologic disease indication anticipated to begin in the first half of 2023. RIPK1 is implicated in a broad range of key inflammatory cellular processes and plays a key role in Tumor Necrosis Factor (TNF) signaling, especially in the induction of pro-inflammatory necroptosis. The program also includes RIPK1 compounds that cross the blood-brain barrier (CNS-penetrants) to address neurodegenerative diseases such as Alzheimer's disease and Amyotrophic Lateral Sclerosis (ALS).

Patent Infringement Lawsuit

In June 2022, we received a notice letter regarding an Abbreviated New Drug Application (ANDA) submitted to the FDA by Annora Pharma Private Limited (Annora), requesting approval to market a generic version of TAVALISSE. On July 25, 2022, we filed a lawsuit in the United States District Court for the District of New Jersey against Annora and its subsidiaries for infringement of certain of our US patents. For a more detailed discussion of this litigation matter, see "Legal Proceedings" in Part II, Item 1 of this Quarterly Report on Form 10-Q.

Update on Current and Potential Future Impact of COVID-19 on our Business

We are continuing to monitor the impact of the evolving effects of the COVID-19 pandemic and have undertaken, and plan to continue to undertake, safety measures to keep our staff, patients, investigators and stockholders

safe and to help the communities where we live and work to reduce the number of people exposed to the virus. Through our existing Crisis Management Team (CMT), we implemented and continue to monitor our business continuity plans to prevent or minimize business disruption and ensure the safety and well-being of our personnel. Our CMT meets regularly to assess the effectiveness of our business continuity plans and make adjustments accordingly as COVID-19 continues to evolve. We have a COVID-19 Headquarters Policy (Plan) in place to provide guidelines when working onsite. We continue to evaluate the workplace for compliance with the local, state and federal guidance and may modify or update at any time to ensure the safety of our employees, contractors and visitors. During the first quarter of 2022, we updated our Plan as we move towards a hybrid schedule, reinstituting more in-person interactions back into our business beginning April 2022. We endeavor to provide the safest and most effective work environment under the circumstances, but we cannot guarantee that employees who come to the office will not be exposed to COVID-19 while at the office. It will be the responsibility of all employees to participate and cooperate in safety and cleaning protocols. We expect all employees, contractors, and visitors to our facility to comply with the Plan.

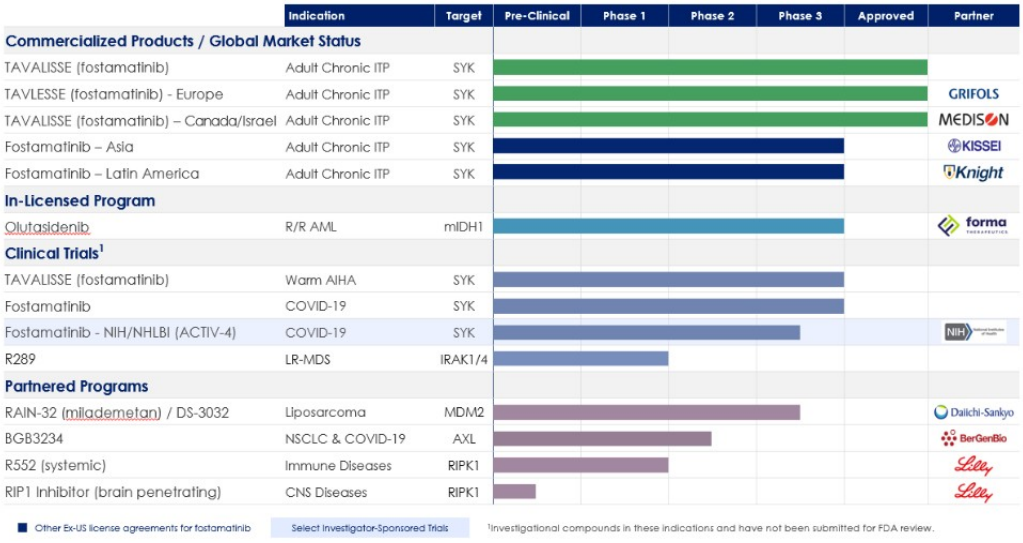
The ultimate impact of the COVID-19 pandemic on our business and financial condition is highly uncertain and subject to change, and as such, we cannot ascertain the full extent of the impacts on our sales of our products, our ability to continue to secure new collaborations and support existing collaboration efforts with our partners and our clinical and regulatory activities. Periodic resurgence of COVID-19 cases negatively impacted and may continue to impact our ability to grow our product sales. As COVID-19 cases surge, we have observed reduced patient-doctor interactions and our representatives are having fewer visits with health care providers. We continue to maintain our virtual engagements and as we see the declining trend in number of COVID-19 cases, we expect to continue to increase the in-person engagements with health care providers. We have plans in place to continue implementing both virtual and live initiatives to ensure we are able to meet the needs of health care providers as the pandemic continues to evolve.

With respect to our supply chain, we currently do not anticipate significant disruption in the supply chain for our commercial product. However, we do not know the full extent of the impact on our supply chain if the COVID-19 pandemic continues and persists for an extended period of time.

See also the section titled “Risk Factors” in Item 1A of this Form 10-Q for additional information on risks and uncertainties related to the ongoing COVID-19 pandemic.

Our Product Portfolio

The following table summarizes our portfolio:



Commercial Product

TAVALISSE in ITP

Disease background. Chronic ITP affects an estimated 81,300 adult patients in the US. In patients with ITP, the immune system attacks and destroys the body's own blood platelets, which play an active role in blood clotting and healing. ITP patients can suffer extraordinary bruising, bleeding and fatigue as a result of low platelet counts. Current therapies for ITP include steroids, blood platelet production boosters that imitate thrombopoietin (TPO) and splenectomy.

Orally-available fostamatinib program. Taken in tablet form, fostamatinib blocks the activation of SYK inside immune cells. ITP is typically characterized by the body producing antibodies that attach to healthy platelets in the blood stream. Immune cells recognize these antibodies and affix to them, which activates the SYK enzyme inside the immune cell, and triggers the destruction of the antibody and the attached platelet. When SYK is inhibited by fostamatinib, it interrupts this immune cell function and allows the platelets to escape destruction. The results of our Phase 2 clinical trial, in which fostamatinib was orally administered to 16 adults with chronic ITP, published in *Blood*, showed that fostamatinib significantly increased the platelet counts of certain ITP patients, including those who had failed other currently available agents.

Our Fostamatinib for Immune Thrombocytopenia (FIT) Phase 3 clinical program had a total of 150 ITP patients which were randomized into two identical multi-center, double-blind, placebo-controlled clinical trials. The patients were diagnosed with persistent or chronic ITP, and had blood platelet counts consistently below 30,000 per microliter of blood. Two-thirds of the subjects received fostamatinib orally at 100 mg twice daily bid and the other third received placebo on the same schedule. Subjects were expected to remain on treatment for up to 24 weeks. At week four of treatment, subjects who failed to meet certain platelet counts and met certain tolerability thresholds could have their dosage of fostamatinib (or corresponding placebo) increased to 150 mg bid. The primary efficacy endpoint of this program was a stable platelet response by week 24 with platelet counts at or above 50,000 per microliter of blood for at least four of the final six qualifying blood draws. In August 2015, the FDA granted our request for Orphan Drug designation for fostamatinib for the treatment of ITP.

In August 2016, we announced the results of the first FIT study, reporting that fostamatinib met the study's primary efficacy endpoint. The study showed that 18% of patients receiving fostamatinib achieved a stable platelet response compared to none receiving a placebo control (p=0.0261). In October 2016, we announced the results of the second FIT study, reporting that the response rate (16% in the treatment group, versus 4% in the placebo group) was consistent with the first study, although the difference was not statistically significant. In the ITP double-blind studies, the most commonly-reported adverse reactions occurring in at least 5% of patients treated with TAVALISSE were diarrhea, hypertension, nausea, dizziness, increased alanine aminotransferase (ALT), increased aspartate aminotransferase (AST), respiratory infection, rash, abdominal pain, fatigue, chest pain, and neutropenia. Serious adverse drug reactions occurring in at least 1% of patients treated with TAVALISSE in the ITP double-blind studies were febrile neutropenia, diarrhea, pneumonia, and hypertensive crisis.

TAVALISSE was approved by the FDA in April 2018 for the treatment of ITP in adult patients who have had an insufficient response to a previous treatment, and successfully launched in the US in May 2018. In January 2020, the EC granted our Marketing Authorization Application (MAA) in Europe for fostamatinib (TAVLESSE) for the treatment of chronic ITP in adult patients who are refractory to other treatments. In February 2020, Kissei Pharmaceutical Co., Ltd. (Kissei) was granted orphan drug designation from the Japanese Ministry of Health, Labor and Welfare for R788 (fostamatinib) in chronic idiopathic thrombocytopenic purpura.

A post-hoc analysis from our Phase 3 clinical program in adult patients with chronic ITP, highlighting the potential benefit of using TAVALISSE in earlier lines of therapy, was published in the British Journal of Haematology in July 2020. Inclusion in one of the leading peer-reviewed journals in the field of hematology underscores the significance of the 78% (25/32) response rate defined as at least one platelet count of at least 50,000/μL when TAVALISSE was used as a second-line therapy in our Phase 3 clinical program. Adverse events were manageable and consistent with those previously reported with fostamatinib. Our sales force is sharing this data with physicians.

Commercial activities, including sales and marketing

A significant portion of our business operations is related to our commercial activities for TAVALISSE. Specifically, our marketing and sales efforts are focused on hematologists and hematologist-oncologists in the US who manage chronic adult ITP patients. In addition, our collaborative partner Grifols has launched TAVLESSE in the UK, Germany, France, Italy, Spain, the Czech Republic and Norway and continues a phased rollout across the rest of Europe which is expected to include Denmark, Finland and Sweden.

We have a fully integrated commercial team consisting of sales, marketing, market access, and commercial operations functions. Our sales team promotes TAVALISSE in the US using customary pharmaceutical company practices, and we concentrate our efforts on hematologists and hematologists-oncologists. TAVALISSE is sold initially through third-party wholesale distribution and specialty pharmacy channels and group purchasing organizations before being ultimately prescribed to patients. To facilitate our commercial activities in the US, we also enter into arrangements with various third parties, including advertising agencies, market research firms and other sales-support-related services as needed. We believe that our commercial team and distribution practices are adequate to ensure that our marketing efforts reach relevant customers and deliver our products to patients in a timely and compliant fashion. Also, to help ensure that all eligible patients in the US have appropriate access to TAVALISSE, we have established a reimbursement and patient support program called Rigel One Care (ROC). Through ROC, we provide co-pay assistance to qualified, commercially insured patients to help minimize out-of-pocket costs and also provide free TAVALISSE to uninsured or under-insured patients who meet certain established clinical and financial eligibility criteria. In addition, ROC is designed to provide reimbursement support, such as information related to prior authorizations, benefits investigations and appeals.

Competitive landscape for TAVALISSE

Our industry is intensely competitive and subject to rapid and significant technological change. TAVALISSE is competing with other existing therapies. In addition, a number of companies are pursuing the development of pharmaceuticals that target the same diseases and conditions that we are targeting. For example, there are existing therapies and drug candidates in development for the treatment of ITP that may be alternative therapies to TAVALISSE.

Currently, corticosteroids remain the most common first line therapy for ITP, occasionally in conjunction with intravenous immunoglobulin (IVIg) or anti-Rh(D) to help further augment platelet count recovery, particularly in emergency situations. However, it has been estimated that frontline agents lead to durable remissions in only a small percentage of newly-diagnosed adults with ITP. Moreover, concerns with steroid-related side effects often restrict therapy to approximately four weeks. As such, many patients progress to persistent or chronic ITP, requiring other forms of therapeutic intervention. In long-term treatment of chronic ITP, patients are often cycled through several therapies over time in order to maintain a sufficient response to the disease.

Other approaches to treat ITP are varied in their mechanism of action, and there is no consensus about the sequence of their use. Options include splenectomy, thrombopoietin receptor agonists (TPO-RAs) and various immunosuppressants (such as rituximab). The response rate criteria of the above-mentioned options vary, precluding a comparison of response rates for individual therapies.

Even with the above treatment options, a significant number of patients remain severely thrombocytopenic for long durations and are subject to risk of spontaneous or trauma-induced hemorrhage. The addition of fostamatinib to the currently available treatment options could be beneficial because it has a different mechanism of action than any of the therapies that are currently available. Fostamatinib is a potent and relatively selective SYK inhibitor, and its inhibition of Fc receptors and B-cell receptors of signaling pathways make it a potentially broad immunomodulatory agent.

Other products in the US that are approved by the FDA to increase platelet production through binding and TPO receptors on megakaryocyte precursors include PROMACTA® (Novartis International AG (Novartis)), Nplate® (Amgen, Inc.) and DOPTELET® (Swedish Orphan Biovitrum AB). In the longer term, we may eventually face competition from potential manufacturers of generic versions of our marketed products, including the proposed generic version of TAVALISSE that is the subject of an ANDA submitted to the FDA by Annora, which if approved, could result in significant decreases in the revenue derived from sale of TAVALISSE and thereby materially harm our business and financial condition.

Fostamatinib in Global Markets

We have entered into various license agreements to commercialize fostamatinib globally. The following describes the arrangements we have in place with Grifols, Kissei, Medison and Knight. We retain the global rights to fostamatinib outside of the Grifols, Kissei, Medison and Knight territories.

Fostamatinib in Europe/Turkey

In January 2019, we entered into an exclusive commercialization license agreement with Grifols to commercialize fostamatinib for the treatment, palliation, or prevention of human diseases, including chronic or persistent ITP and AIHA in Europe and Turkey. Pursuant to the terms of the license agreement, Grifols has exclusive rights to commercialize, and non-exclusive rights to develop, fostamatinib in Europe and Turkey. Grifols also received an exclusive option to expand the territory under its exclusive and non-exclusive licenses to include the Middle East, North Africa and Russia (including Commonwealth of Independent States). In November 2020, Grifols exercised its option to include these territories under the agreement.

We are responsible for performing and funding certain development activities for fostamatinib for ITP and AIHA and Grifols is responsible for all other development activities for fostamatinib in such territories. We remain responsible for the manufacturing and supply of fostamatinib for all development and commercialization activities under the agreement. Under the terms of the agreement, we received an upfront cash payment of $30.0 million and will be eligible to receive regulatory and commercial milestones of up to $297.5 million. In January 2020, the European Commission (EC) granted a MA for fostamatinib for the treatment of chronic ITP in adult patients who are refractory to other treatments. With this approval, we received a $20.0 million non-refundable milestone payment, comprised of a $17.5 million payment due upon MAA approval by the EMA of fostamatinib for the first indication and a $2.5 million creditable advance royalty payment due upon EMA approval of fostamatinib in the first indication. We will also receive tiered royalty payments ranging from the mid-teens to 30% of net sales of fostamatinib in Europe and Turkey.

Fostamatinib in Japan/Asia

In October 2018, we entered into an exclusive license and supply agreement with Kissei to develop and commercialize fostamatinib in all current and potential indications in Japan, China, Taiwan and the Republic of Korea. Kissei is a Japan-based pharmaceutical company addressing patients' unmet medical needs through its research, development and commercialization efforts, as well as through collaborations with partners.

Under the terms of the agreement, we received an upfront cash payment of $33.0 million, with the potential for an additional $147.0 million in development and commercial milestone payments, and will receive product transfer price payments in the mid to upper twenty percent range based on tiered net sales for the exclusive supply of fostamatinib. Kissei receives exclusive rights to fostamatinib in ITP and all future indications in Japan, China, Taiwan, and the Republic of Korea.

In September 2019, Kissei initiated a Phase 3 trial in Japan of fostamatinib in adult patients with chronic ITP. The efficacy and safety of orally administered fostamatinib will be assessed by comparing it with placebo in a randomized, double-blind study. Japan has the third highest prevalence of chronic ITP in the world behind the US and Europe. In February 2020, Kissei was granted orphan drug designation from the Japanese Ministry of Health, Labor and Welfare for R788 (fostamatinib) in chronic ITP. In December 2021, Kissei reported positive top-line results for a Phase 3 clinical trial of fostamatinib in adult Japanese patients with chronic ITP, meeting its primary endpoint. The Phase 3 clinical study showed that patients receiving fostamatinib achieved a stable platelet response significantly higher than patients receiving a placebo control. A stable platelet response was defined as achieving greater than or equal to 50,000 platelets per μL of blood on at least four of the last six scheduled visits between weeks 14 and 24 of treatment.

Based on the positive Phase 3 results, in April 2022, Kissei has submitted an NDA to Japan's Pharmaceuticals and Medical Devices Agency for fostamatinib in chronic ITP. With this milestone event, during the second quarter of 2022, we received $5.0 million non-refundable and non-creditable payment from Kissei based on the terms of our collaboration agreement, and such amount was recognized as revenue in the second quarter of 2022.

Fostamatinib in Canada/Israel

In October 2019, we entered into exclusive commercial and license agreements with Medison to commercialize fostamatinib in all potential indications in Canada and Israel. Under the terms of the agreements, we received an upfront payment of $5.0 million with the potential for approximately $35.0 million in regulatory and commercial milestones. In addition, we will receive royalty payments beginning at 30% of net sales. Under our agreement with Medison for the Canada territory, we have the option to buy back all rights to the product upon regulatory approval in Canada for the indication of AIHA. The buyback provision, if exercised, would require both parties to mutually agree on commercially reasonable terms for us to purchase back the rights, taking into account Medison's investment and the value of the rights, among others. Pursuant to this exclusive commercialization license agreement, in August 2020, we entered into a commercial supply agreement with Medison.

In November 2020, Health Canada approved the New Drug Submission for TAVALISSE for the treatment of thrombocytopenia in adult patients with chronic ITP who have had an insufficient response to other treatments. In August 2021, Medison Israel received the licenses for registrational approval from the Ministry of Health, which triggered the first milestone that is the regulatory approval of the product in Israel for the first indication, for a non-refundable payment of $0.1 million.

Fostamatinib in Latin America

In May 2022, we entered into commercial license agreement with Knight for the commercialization of fostamatinib for approved indications in Latin America, consisting of Mexico, Central and South America, and the Caribbean (Knight territory). Pursuant to such commercial license agreement, we received a $2.0 million one-time, non-refundable, and non-creditable upfront payment, with potential for up to an additional $20.0 million in regulatory and sales-based commercial milestone payments, and will receive twenty- to mid-thirty percent, tiered, escalated net-sales based royalty payments for products sold in the Knight territory. We are also responsible for the exclusive manufacture and supply of fostamatinib for all future development and commercialization activities under a Commercial and Supply Agreement.

In-licensed Program

Olutasidenib in AML and Other Malignancies

In July 2022, we entered into a license and transition agreement with Forma for an exclusive license to develop, manufacture and commercialize olutasidenib, Forma's proprietary inhibitor of mIDH1, for any uses worldwide, including for the treatment of R/R AML and other malignancies. Olutasidenib is an oral, small molecule investigational drug designed to selectively bind to and inhibit mIDH1. This targeted agent has the potential to provide therapeutic benefit by reducing 2-hydroxyglutarate levels and restoring normal cellular differentiation. Isocitrate dehydrogenase-1 (IDH1) is a natural enzyme that is part of the normal metabolism of all cells. When mutated, IDH1 activity can promote blood malignancies and solid tumors.

mIDH1 alterations are seen in AML, glioma, chondrosarcoma, and intrahepatic cholangiocarcinoma. It is estimated that the US prevalence for AML is approximately 20,000 cases and global incidence for AML is approximately 120,000 cases, with approximately 6% to 9% linked to mIDH1. Despite having approved treatment options for R/R AML patients who are mIDH1 positive, an unmet need remains. Olutasidenib may represent a treatment option with reduced QTc potential, a more favorable drug-drug interaction profile (allowing for co-medication) and a stable pharmacokinetics (PK) profile that enables a consistent drug exposure over time.

Interim results from Forma's Phase 2 registrational trial for olutasidenib in mIDH1 R/R AML were reported at the American Society of Clinical Oncology (ASCO) annual meeting in June 2021. The results of this study of 153 patients showed that olutasidenib demonstrated a favorable tolerability profile as a monotherapy in patients with R/R

AML who have a susceptible mIDH1, and achieved a composite complete remission (CR), or CR plus CR with partial hematologic recovery (CRh) rate of 33.3% (30% CR and 3% CRh), the primary efficacy endpoint. While a median duration of CR/CRh has not yet been reached, a sensitivity analysis (with a hematopoietic stem cell transplant, or HCST, as the end of a response) indicates the median duration of CR/CRh to be 13.8 months. The overall response rate , comprised CR, CRh, CRi, partial response, and morphologic leukemia-free state (MLFS), was 46% and the median duration of ORR was 11.7 months. The median overall survival (OS) was 10.5 months. For patients with CR/CRh, the median OS was not yet reached, but the estimated 18-month survival is 87%. The most frequently reported treatment emergent adverse events (>20%) were nausea (38%), constipation (25%), increased white blood cell count (25%), decreased RBC count (24%), pyrexia (23%), febrile neutropenia (22%), and fatigue (21%). Grade 3/4 adverse events occurring in greater than 10% of patients, regardless of causality, were febrile neutropenia (20%), decreased red blood cell count (19%), decreased platelet count (16%), and decreased neutrophil count (13%). Grade 3/4 laboratory liver abnormalities reported in 19 (12%) patients led to treatment discontinuation in seven (4%) patients. The preferred terms of these laboratory liver abnormalities were alanine aminotransferase increased, aspartate aminotransferase increased, biliary tract disorder, blood bilirubin increased, cholangitis, cholestasis, hepatitis acute, hepatic enzymes increased, liver function test abnormal, liver function test increased, and transaminases increased. Investigator-assessed IDH1 differentiation syndrome (all Grades) was observed in 21 (14%) patients, which led to treatment discontinuation in three patients and was fatal in one patient. Subsequently, Forma presented the first Phase 2 results of olutasidenib used in combination with azacitidine, including safety/tolerability data at the American Society of Hematology (ASH) Annual Meeting in December 2021. Based on the results of its Phase 2 trial, Forma has submitted an NDA for olutasidenib for the treatment of m1DH1 R/R AML to the FDA and the PDUFA action date for the application is February 15, 2023.

On November 3, 2022, we announced the upcoming presentation of five posters highlighting data from our commercial and clinical hematology-oncology portfolio at the 64th ASH Annual Meeting and Exposition that will be held in December 2022. An updated interim analysis from a Phase 2 registrational study of olutasidenib in patients with R/R AML demonstrated robust efficacy and safety results. The registrational cohort of the Phase 2 study enrolled 153 patients with mIDH1 R/R AML who received olutasidenib monotherapy 150 mg twice daily. The efficacy evaluable population was 147 patients who received their first dose at least six months prior to the interim analysis cutoff date of June 18, 2021. The primary endpoint was a CR/CRh defined as less than 5% blasts in the bone marrow, no evidence of disease, and partial recovery of peripheral blood counts (platelets >50,000/microliter and absolute neutrophil count >500/microliter). Overall response rate comprises CR, CRh, CR with incomplete blood count recovery, partial response and MLFS. The results from the updated interim analysis of patients with mIDH1 R/R AML demonstrated a 35% CR+CRh rate with a median duration of 25.9 months. Olutasidenib was effective in a broad range of patients including those with prior high-intensity chemotherapy and/or post-venetoclax. The abstract concluded that the observed activity is clinically meaningful and represents a therapeutic advance in the treatment of this patient population. In this pivotal cohort, olutasidenib was well tolerated with an adverse event profile largely characteristic of symptoms or conditions experienced by patients undergoing treatment for AML or of the underlying disease itself.

We plan to pursue strategic actions to further develop olutasidenib for the treatment of other malignancies and its potential commercialization.

Clinical Stage Programs

Fostamatinib in wAIHA

Disease background. Autoimmune hemolytic anemia is a rare, serious blood disorder where the immune system produces antibodies that result in the destruction of the body's own red blood cells. Symptoms can include fatigue, shortness of breath, rapid heartbeat, jaundice or enlarged spleen. While no medical treatments are currently approved for AIHA, physicians generally treat acute and chronic cases of the disorder with corticosteroids, other immuno-suppressants, or splenectomy. Research has shown that inhibiting SYK with fostamatinib may reduce the destruction of red blood cells. AIHA affects an estimated 45,000 Americans, and approximately 36,000 of those patients have wAIHA, where no approved treatment options currently exist.

Orally-available fostamatinib program. We completed our Phase 2 clinical trial, also known as the SOAR study, in patients with wAIHA. This trial was an open-label, multi-center, two-stage study that evaluated the efficacy and safety of fostamatinib in patients with wAIHA who had previously received treatment for the disorder but have

relapsed. The primary efficacy endpoint of this study was to achieve increased hemoglobin levels by week 12 of greater than 10 g/dL, and greater than or equal to 2 g/dL higher than baseline. In November 2019, we announced updated data that in a Phase 2 open-label study of fostamatinib in patients with wAIHA, data showed that 44% (11/25) of evaluable patients met the primary efficacy endpoint of a Hgb level >10 g/dL with an increase of ≥2 g/dL from baseline by week 24. Including one late responder at week 30, the overall response rate was 48% (12/25). Adverse events were manageable and consistent with those previously reported with fostamatinib. In February 2022, the American Journal of Hematology published the data from our Phase 2 clinical trial of fostamatinib in adults with wAIHA who have failed at least one prior treatment. The published data demonstrate that fostamatinib rapidly and durably increased hemoglobin (Hgb) levels, with clinically meaningful Hgb responses observed in nearly half of the patients, and a safety and tolerability profile consistent with the existing fostamatinib safety database of patients across multiple disease programs studied.

In January 2021, we announced that the FDA had granted Fast Track designation to fostamatinib for the treatment of wAIHA. The FDA previously granted fostamatinib Orphan Drug designation for the treatment of wAIHA in January 2018.

In March 2019, we initiated our wAIHA pivotal Phase 3 clinical study of fostamatinib, known as the FORWARD study. The clinical trial protocol calls for a placebo-controlled study of 90 patients with primary or secondary wAIHA who have failed at least one prior treatment. The primary endpoint is a durable Hgb response, defined as Hgb >10 g/dL and >2 g/dL increase from baseline and durability measure, with the response not being attributed to rescue therapy. In November 2020, we reached an agreement with the FDA on the durable response measure for the primary efficacy endpoint of the study as well as the inclusion of additional secondary endpoints. In November 2021, we completed the enrollment of this study. In April 2022, we completed the treatment period for the last patient under the study. In June 2022, we announced top-line efficacy and safety data from the FORWARD study with 90 patients. Patients were randomized 1:1 to receive fostamatinib or matching placebo twice daily for 24 weeks. The primary efficacy endpoint of Hgb response was defined as achieving a Hgb ≥10 g/dL with an increase from baseline ≥2 g/dL on three consecutive available visits during the 24-week treatment period. The trial did not demonstrate statistical significance in the primary efficacy endpoint of durable hemoglobin response in the overall study population. The trial also included key secondary endpoints, including hemoglobin response on at least one visit, change in Hgb from baseline of ≥2 g/dL, use of permitted rescue therapy after week 4, change in Hgb from baseline to end of treatment and change from baseline to week 24 in FACIT-F scale. Across the trial's overall patient population, fostamatinib was generally well-tolerated. The safety profile of the product was consistent with prior clinical experience and no new safety issues were discovered. The most common adverse events (≥10%) with fostamatinib and placebo were diarrhea (26.7% and 6.7%), hypertension (24.4% and 17.8%), fatigue (15.6% and 11.1%), pyrexia (13.3% and 6.7%), nausea (13.3% and 8.9%), and dyspnea (13.3% and 11.1%). Treatment-related serious adverse events were 6.7% (3/45) for fostamatinib and 4.4% (2/45) for placebo. There were five deaths on the study (2 with fostamatinib and 3 with placebo), all of which were determined to be unrelated to study drug. The safety results were consistent with the overall safety profile data collected to date, which includes more than 5,000 patients across multiple diseases. We conducted an in-depth analysis of these data to better understand differences in patient characteristics and outcomes and submitted these findings to the FDA. In October 2022, we announced that we received guidance from the FDA’s review of these findings. Based on this guidance, we do not expect to file an sNDA for this indication at this time. We will continue to explore our options for the wAIHA program in relation to our complete portfolio of development opportunities.

Of the 90 patients that completed the FORWARD Phase 3 study, 71 (79%) enrolled in the open-label extension study. We plan on closing this study in 2023.

Fostamatinib in Hospitalized COVID-19 Patients

Disease background. COVID-19 is the infectious disease caused by Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-CoV-2). SARS-CoV-2 primarily infects the upper and lower respiratory tract and can lead to acute respiratory distress syndrome (ARDS). Additionally, some patients develop other organ dysfunction including myocardial injury, acute kidney injury, shock resulting in endothelial dysfunction and subsequently micro and macrovascular thrombosis. Much of the underlying pathology of SARS-CoV-2 is thought to be secondary to a hyperinflammatory immune response associated with increased risk of thrombosis. SYK is involved in the intracellular signaling pathways of many different immune cells. Therefore, SYK inhibition may improve outcomes in patients with COVID-19 via inhibition of key Fc gamma receptor (FcγR) and c-type lectin receptor (CLR) mediated drivers of pathology such as inflammatory cytokine release by monocytes and macrophages, production of NETs by neutrophils, and platelet aggregation. Furthermore, SYK inhibition in neutrophils and platelets may lead to decreased thromboinflammation, alleviating organ dysfunction in critically ill patients with COVID-19.

Rigel-led Phase 3 Trial. In November 2020, we launched a Phase 3 clinical trial to evaluate the safety and efficacy of fostamatinib in hospitalized COVID-19 patients without respiratory failure that have certain high-risk prognostic factors. In January 2021, we were awarded $16.5 million from the US Department of Defense's Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defense (JPEO-CBRND) to support this Phase 3 clinical trial. This multi-center, double-blind, placebo-controlled, adaptive design study randomly assigns either fostamatinib plus SOC or matched placebo plus SOC (1:1) to targeted evaluable patients. Treatment is administered orally twice daily for 14 days with follow up to day 60. In December 2021, we expanded the inclusion criteria to include patients with more severe disease (NIAID Ordinal Scale 6) to more accurately reflect the clinically predominant patient population hospitalized with COVID-19 and help speed enrollment. In collaboration with the FDA and Department of Defense, we also updated the primary endpoint for the study from progression to severe disease within 29 days, to the number of days on oxygen through day 29. This endpoint allows for closer comparison of the results with earlier results from the NIH/NHLBI Phase 2 clinical trial with fostamatinib and various other NIH-sponsored trials, such as the ACTIV-4 Host Tissue Trial, which uses a similar outcome measure as a primary endpoint. In July 2022, we completed enrollment with 280 patients. The trial had originally targeted a total of 308 patients; however, we determined the trial would be sufficiently powered with 280 patients to potentially provide a clinically meaningful result and determine the efficacy and safety of fostamatinib in hospitalized COVID-19 patients. On November 1, 2022, we announced the top-line results of the FOCUS Phase 3 clinical trial of fostamatinib in high risk hospitalized COVID-19 patents. The trial approached but did not meet statistical significance (p=0.0603) in the primary efficacy endpoint of the number of days on oxygen through Day 29. All prespecified secondary endpoints in the study numerically favored fostamatinib over placebo, including mortality, time to sustained recovery, change in ordinal scale assessment, and number of days in the ICU. We are evaluating the opportunity and next steps in collaboration with our partner, the US Department of Defense.

NIH/NHLBI-sponsored Phase 2 Trial. In September 2020, we announced a Phase 2 clinical trial sponsored by the NIH/NHLBI to evaluate the safety of fostamatinib for the treatment of hospitalized COVID-19 patients. This multi-center, double-blind, placebo-controlled study randomly assigned fostamatinib or matched placebo (1:1) to 59 evaluable patients. Treatment was administered orally twice daily for 14 days, and a follow-up period to day 60. The primary endpoint of this study was cumulative incidence of Serious Adverse Events (SAEs) through day 29. The trial also included multiple secondary endpoints designed to assess the early efficacy and clinically relevant endpoints of disease course. The study completed the enrollment in March 2021. In April 2021, we announced that the Phase 2 clinical trial met its primary endpoint of safety. Fostamatinib reduced the incidence of SAEs by half. By day 29, there were three SAEs in the fostamatinib plus SOC group of thirty patients compared to six SAEs in the placebo plus SOC group of twenty-nine patients (p=0.23). Of these, there was a reduction for the disease related SAE of hypoxia in the fostamatinib group compared to placebo (1 vs 3, respectively; p=0.29). The data from the NIH/NHLBI-Sponsored Phase 2 trial was published in Clinical Infectious Diseases, an official publication of the Infectious Disease Society of America in September 2021.

In May 2021, the NIH/NHLBI Phase 2 clinical data were submitted as part of a request for an EUA from the FDA for fostamatinib as a treatment for hospitalized patients with COVID-19. In August 2021, the FDA informed us that the clinical data submitted from the NIH/NHLBI-sponsored Phase 2 trial of fostamatinib to treat hospitalized patients suffering from COVID-19 was insufficient for an EUA.

ACTIV-4 Host Tissue Phase 3 Trial. In June 2021, we announced that fostamatinib had been selected for the NIH ACTIV-4 Host Tissue Trial in hospitalized patients with COVID-19. The ACTIV-4 Host Tissue Trial, initiated and funded by NHLBI, is a randomized, placebo-controlled trial of therapies, including fostamatinib, targeting the host response to COVID-19 in hospitalized patients. The master protocol for this study was designed to be flexible in the number of study arms, the use of a single placebo group, and the stopping and adding of new therapies. Eligible participants will include patients hospitalized for COVID-19 with laboratory-confirmed SARS-CoV-2 infection on oxygen therapy. The primary outcome is oxygen-free days through day 28. Secondary outcomes include hospital mortality, use of mechanical ventilation, and severity of disease as measured by World Health Organization (WHO) scale scores.

Imperial College of London Phase 2 Trial. In July 2020, we announced a Phase 2 clinical trial sponsored by Imperial College of London to evaluate the efficacy of fostamatinib for the treatment of COVID-19 pneumonia. This is a two-stage, open label, controlled clinical trial with patients randomized (1:1:1) to fostamatinib plus SOC, ruxolitinib plus SOC, or standard of care alone. Treatment was administered twice daily for 14 days and patients receive a follow-up assessment at day 14 and day 28 after the first dose. The primary endpoint of this study is progression from mild to severe COVID-19 pneumonia within 14 days in hospitalized patients (WHO COVID-19 Severity Scale 3-4). In April 2022, Imperial College of London completed a pre-planned interim analysis of the primary endpoint, patients progressing from mild or moderate (modified WHO COVID-19 scale 3-4) to severe disease (modified WHO COVID-19 scale $\geq$5) within 14 days, in the Phase 2 MATIS trial. The independent data monitoring committee determined that the fostamatinib plus standard of care arm did not meet the prespecified criteria for continuation to the next stage of the study. No safety concerns were identified. The study remains blinded and Imperial College of London plans to share results with us and scientific community once the trial is complete.

Other Publications. Researchers at MIT and Harvard led a screen to identify FDA-approved compounds that reduce MUC1 protein abundance. MUC1 is a biomarker used to predict the development of ALI and ARDS and correlates with poor clinical outcomes. In June 2020, the results were presented, and of the 3,713 compounds that were screened, fostamatinib was the only compound identified which both decreased expression of MUC1 and is FDA approved. Fostamatinib demonstrated preferential depletion of MUC1 from epithelial cells without affecting cell viability. The research was focused on drug repurposing for the much lower risk of toxicity and the ability of FDA-approved treatments to be delivered on a shortened timescale, which is critical for patients afflicted with lung disease resulting from COVID-19.

In addition, the in vitro studies led by the Amsterdam University Medical Center at the University of Amsterdam, showed that R406, the active metabolite of fostamatinib, blocked macrophage hyperinflammatory responses to a combination of immune complexes formed by anti-Spike IgG in serum from severe COVID-19 patients. Anti-Spike IgG levels are known to correlate with the severity of COVID-19. These results, presented in July 2020, suggest that by inhibiting anti-Spike IgG-mediated hyperinflammation, R406 could potentially play a role in the prevention of cytokine storms as well as pulmonary edema and thrombosis associated with severe COVID-19.

In December 2020, the Journal of Infectious Diseases published research from NIH which demonstrated that R406, the active metabolite of fostamatinib, was able to inhibit NETosis ex vivo in donor plasma from patients with COVID-19. NETosis is a unique type of cell death resulting in the release of NETs. NETs contribute to thromboinflammation and have been associated with mortality in COVID-19. These data provide insights for how fostamatinib may mitigate neutrophil-associated mechanisms contributing to COVID-19 immunopathogenesis.

R289, an Oral IRAK1/4 Inhibitor for Autoimmune, Inflammatory and Hematology-Oncology Diseases

Orally Available IRAK 1/4 Inhibitor Program. During the second quarter of 2018, we selected R835, the active metabolite of R289, a proprietary molecule from our IRAK 1/4 preclinical development program, for human clinical trials. This investigational candidate is an orally administered, potent and selective inhibitor of IRAK1 and IRAK4 that blocks inflammatory cytokine production in response to toll-like receptor (TLR) and the interleukin-1 receptor (IL-1R) family signaling. TLRs and IL-1Rs play a critical role in the innate immune response and dysregulation of these pathways can lead to a variety of inflammatory conditions including psoriasis, rheumatoid arthritis, inflammatory bowel disease and gout (among others). R835 prevents cytokine release in response to TLR and IL-1R activation in vitro. R835 is active in multiple rodent models of inflammatory disease including psoriasis, arthritis, lupus, multiple sclerosis and gout. Preclinical studies show that R835 inhibits both the IRAK1 and IRAK4 signaling pathways, which play a key role in inflammation and immune responses to tissue damage. Dual inhibition of IRAK1 and IRAK4 allows for more complete suppression of pro-inflammatory cytokine release.

In October 2019, we announced results from a Phase 1 clinical trial of R835 in healthy subjects to assess safety, tolerability, protein kinase (PK) and pharmacodynamics. The Phase 1 study was a randomized, placebo-controlled, double-blind trial in 91 healthy subjects, ages 18 to 55. The Phase 1 trial showed positive tolerability and PK data as well as established proof-of-mechanism by demonstrating the inhibition of inflammatory cytokine production in response to a lipopolysaccharide (LPS) challenge.

We continue to advance the development of our IRAK1/4 program, completing the evaluation of a new pro-drug formulation of R835, R289, in single-ascending and multiple ascending dose studies with positive safety results in 2021. In January 2022, we received clearance from the FDA on our clinical trial design to explore R289 in low-risk myelodysplastic syndromes (MDS). The open-label, Phase 1b study will determine the tolerability and preliminary efficacy of R289 in patients with low-risk MDS who are relapsed, refractory/resistant, intolerant or have inadequate response to prior therapies such as erythropoietin, TPO, luspatercept, or hypomethylating agents (HMAs) for MDS. We are also exploring indications in rare immune diseases.

Partnered Clinical Programs

BGB324 – BerGenBio

We have an exclusive, worldwide research, development and commercialization agreement with BerGenBio for our investigational AXL receptor tyrosine kinase inhibitor, BGB324/R428 (now referred to as bemcentinib). In October 2022, BerGenBio announced the initiation of a Phase 1b/2a trial evaluating bemcentinib in combination with the current SoC, checkpoint inhibitor pembrolizumab and doublet chemotheraphy, for the treatment of first line non-small cell lung cancer patients harboring serine/threonine kinase 11 mutations. The product is also being investigated in Phase 2 clinical trials in patients with AML and COVID-19. Bemcentinib is being studied in over 600 patients, demonstrating its safety as a monotherapy and in combination with chemotheraphy and immune checkpoint inhibition.

DS-3032 - Daiichi

DS-3032 is an investigational oral selective inhibitor of the murine double minute 2 (MDM2) protein investigated by Daiichi in three Phase 1 clinical trials for solid and hematological malignancies including AML, acute lymphocytic leukemia, chronic myeloid leukemia in blast phase, lymphoma and MDS. Preliminary safety and efficacy data from a Phase 1 study of DS-3032 suggests that DS-3032 may be a promising treatment for hematological malignancies including R/R AML and high-risk MDS.

In September 2020, worldwide rights to DS-3032 (milademetan) were out-licensed from Daiichi to Rain Therapeutics Inc. (Rain). In July 2021, Rain announced that it initiated a Phase 3 study to evaluate the efficacy and safety of milademetan (RAIN-32) for the treatment of well-differentiated/dedifferentiated liposarcoma, a rare cancer originating from fat cells located in the soft tissues of the body. In late 2021, Rain commenced its second clinical trial for RAIN-32 in patients with MDM2-amplified advance solid tumors. In August 2022, Rain announced completion of enrollment of its Phase 3 study for milademetan in liposarcoma.

AZ-D0449 – AZ

We had an agreement with AZ for exclusive, worldwide rights to develop and commercialize our proprietary JAK inhibitor. In preclinical studies, this molecule was shown to be a potent inhibitor of IL-13 and IL-4 signaling. Inhibiting the IL-13 and IL-14 pathways could reduce the severity of inflammation and improve lung function by mechanisms associated with several hallmarks of asthma such as bronchoconstriction, mucus overproduction and airway remodeling. In December 2021, AZ provided a notice of termination of the agreement effective April 19, 2022 and returned to us the full rights to our propriety JAK inhibitor.

Research/Preclinical Programs

We are conducting proprietary research in the broad disease areas of inflammation/immunology, immuno-oncology and cancers. Within these disease areas, our researchers are investigating mechanisms of action of our clinical-stage compounds potentially revealing and expanding their clinical utility into novel indications or additional biological pathophysiology aspects of disease, as well as screening compounds against potential novel targets and optimizing those leads that appear to have the greatest potential.

Commercialization and Sponsored Research and License Agreements

For a discussion of our Sponsored Research and License Agreements and Government Contract, see "Note 4 - Sponsored Research and License Agreements and Government Contract" to our "Notes to Condensed Financial Statements" contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Results of Operations

Three months ended September 30, 2022 and 2021

Revenues

	Three Months Ended September 30,		Aggregate Change	Nine Months Ended September 30,		Aggregate Change
	2022	2021		2022	2021	
		(in thousands)			(in thousands)	
Product sales, net	$ 19,188	$ 16,012	$ 3,176	$ 53,935	$ 45,441	$ 8,494
Contract revenues from collaborations	722	4,531	(3,809)	12,529	73,886	(61,357)
Government contract	2,500	1,000	1,500	2,500	9,500	(7,000)
Total revenues	$ 22,410	$ 21,543	$ 867	$ 68,964	$ 128,827	$ (59,863)

The following table summarizes the percentages of revenues from each of our customers who individually accounted for 10% or more (wherein * denotes less than 10%) of the total net product sales and revenues from collaborations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
McKesson Specialty Care Distribution Corporation	44%	35%	38%	17%
Cardinal Healthcare	27%	18%	22%	*
ASD Healthcare and Oncology Supply	25%	25%	21%	15%
Lilly	*	12%	*	56%
Kissei	*	*	11%	*

Net product sales during the periods presented pertained to sales of TAVALISSE in the US, net of chargebacks, discounts and fees, government and other rebates and returns. For the three and nine months ended September 30, 2022, net product sales of TAVALISSE increased by 20% and 19%, respectively, compared to the same periods in 2021. The increases were primarily driven by the increase in quantities sold mainly due to the recent sales force expansion and

increased in-person engagements, as well as the increase in price per bottle of TAVALISSE. These increases were partially offset by the increase in revenue reserves mainly due to higher rebates on contracts we recently entered with certain PBMs, and higher government program rebates. Our first quarter net sales are typically impacted by the first quarter reimbursement issues such as the resetting of co-pays and the Medicare donut hole.

Contract revenues from collaborations of $0.7 million in the three months ended September 30, 2022 were comprised primarily of revenue from Grifols related to the research and development services, delivery of fostmatinib and royalty revenue. Contract revenues from collaborations in the three months ended September 30, 2021 were comprised of $2.4 million in revenue related to our license agreement with Lilly, $1.8 million in revenue related to a milestone payment under our collaboration agreement with Daiichi, $0.2 million in revenue related to the research and development services with Grifols and $0.1 million in revenue from milestone payment under our commercial and license agreement with Medison.

Contract revenues from collaborations in the nine months ended September 30, 2022 comprised of $7.6 million in revenue from Kissei related to a milestone payment and delivery of fostamatinib supply, $2.4 million in revenue from Grifols related the research and development services, delivery of fostamatinib supply and royalty revenue, $2.0 million in revenue related to our license agreement with Knight, and $0.5 million in revenue related to our license agreement with Lilly. Contract revenues from collaborations in the nine months ended September 30, 2021 were comprised of $66.4 million revenue related to our license agreement with Lilly, $4.0 million revenue related to grant of non-exclusive license of a certain patent to an unrelated third-party company, $1.8 million in revenue related to the achievement of milestone under our collaboration agreement with Daiichi, $1.0 million revenue for the delivery of drug supply under our collaboration agreement with Grifols, $0.6 million in revenue related to the research and development services with Grifols and $0.1 million in revenue from milestone payment under our commercial and license agreement with Medison.

Government contract revenue was related to the income we recognized from the $16.5 million government award granted to us, pursuant to the agreement we entered in January 2021 with the US Department of Defense to support our ongoing Phase 3 clinical trial to evaluate the safety and efficacy of fostamatinib in hospitalized COVID-19 patients. Through September 30, 2022, we recognized $13.0 million of revenue from this award and we expect to receive the remaining award of $3.5 million and will recognize as income throughout the period we conduct our clinical trial, when there is reasonable assurance that the conditions of the grant will be met, and the grant will be received.

Our potential future revenues may include product sales from TAVALISSE; payments from our collaboration partners and from new collaboration partners with whom we enter into agreements in the future, if any; and from existing government grants and any future grants we may be entitled to, if any; the timing and amount of which is unknown at this time. We cannot currently fully forecast the extent of the impacts that the COVID-19 pandemic may have on our revenues. Our net product sales may be impacted by changes to the government program rebates and new private payer rebate contracts we entered or may enter in the future. As of September 30, 2022, we had deferred revenues of $1.4 million, which we will recognize as revenue upon satisfaction of our remaining performance obligations under our respective collaboration agreements.

Cost of Product Sales

	Three Months Ended September 30,		Aggregate	Nine Months Ended September 30,		Aggregate
	2022	2021	Change	2022	2021	Change
		(in thousands)			(in thousands)	
Cost of product sales	$ 250	$ 151	$ 99	$ 1,407	$ 596	$ 811

The cost of product sales for the periods presented was related to our product, TAVALISSE, and sale of fostamatinib to our collaborative partners. Prior to the FDA approval in May 2018, manufacturing and related costs were charged to research and development expense. Therefore, these costs were not capitalized and as a result, are not fully reflected in the cost of product sales during the periods presented. We expect we will continue to have a lower cost of product sales that excludes the cost of the active pharmaceutical ingredient (API) that was produced prior to FDA approval until we sell TAVALISSE that includes newly manufactured API. We expect that this will be the case for the near-term and as a result, our cost of product sales will be less than we anticipate it will be in future periods. As we produce TAVALISSE in the future, our inventory cost in the condensed balance sheet and cost of product sales will increase reflecting the full cost of manufacturing.

There were no material increases in our cost of product sales related to our sales of TAVALISSE in the US during the three and nine months ended September 30, 2022, compared to the same periods in 2021. For the nine months ended September 30, 2022 compared to the same period in 2021, the increase in cost of product sales was primarily due to delivery of drug supply pursuant to our supply agreements during the second quarter of 2022 with our collaborative partners, Grifols and Kissei.

Research and Development Expense

	Three Months Ended September 30,		Aggregate	Nine Months Ended September 30,		Aggregate
	2022	2021	Change	2022	2021	Change
		(in thousands)			(in thousands)	
Research and development expense	$ 14,666	$ 18,300	$ (3,634)	$ 44,907	$ 51,933	$ (7,026)
Stock-based compensation expense included in research and development expense	$ 588	$ 402	$ 186	$ 1,514	$ 1,522	$ (8)

The decrease in research and development expense in the three months ended September 30, 2022 compared to the same period in 2021 was mainly due to lower research and development costs in our COVID-19 study of $1.8 million, lower research and development costs in our AIHA study of $0.9 million, and lower research and development costs in our IRAK1/4 inhibitor program of $1.2 million. These decreases were primarily due to timing of activities related to such studies. Further, personnel-related costs decreased by $0.8 million and other various research and development expenses including allocated facilities and laboratory costs decreased by $0.9 million, primarily as a result of the restructuring of our early-stage research department in November 2021. These decreases were partially offset by the $2.0 million upfront payment to Forma recorded as acquired IPR&D included within research and development expense in the third quarter of 2022.

The decrease in research and development expense in the nine months ended September 30, 2022 compared to the same period in 2021 was mainly due to decrease in personnel-related costs of $3.5 million, and decrease in various research and development expenses including allocated facilities and laboratory costs of $3.4 million, primarily as a result of the restructuring as discussed above. Further, research and development costs decreased by $3.8 million on our COVID-19 study, and $2.5 million on or AIHA study, primarily due to timing of activities related to such studies. These decreases were partially offset by the increase of research and development in our IRAK 1/4 inhibitor program of $3.0 million, upfront payment to Forma of $2.0 million as discussed above, and increase in consulting and third-party services of $1.2 million.

Our research and development expenditures include costs related to preclinical and clinical trials, scientific personnel, supplies, equipment, consultants, sponsored research, stock-based compensation, allocated facility costs, and upfront payment related to our in-licensed agreement with Forma. We expect to continue to incur significant research and development expense as we continue our activities in our clinical studies including COVID-19 and IRAK 1/4 inhibitor program. In July 2022, we completed the enrollment of the FOCUS Phase 3 clinical trial of fostamatinib for the treatment of hospitalized high-risk patients with COVID-19 and on November 1, 2022, we announced the top-line results of the clinical trial. The trial approached but did not meet statistical significance in the primary efficacy endpoint. All prespecified secondary endpoints in the study numerically favored fostamatinib over placebo, including mortality, time to sustained recovery, change in ordinal scale assessment, and number of days in the ICU. We are evaluating the opportunity and next steps in collaboration with our partner, the US Department of Defense. Our Phase 3 clinical trial for hospitalized COVID-19 patients is partially funded by the award granted to us by the US Department of Defense as discussed above. Our Phase 3 wAIHA study has completed enrollment in November 2021 and completed the treatment period for the last patient in April 2022. In June 2022, we announced that the top-line results from the trial did not demonstrate statistical significance in the primary efficacy endpoint of durable hemoglobin response in the overall study population. We conducted an in-depth analysis of these data to better understand differences in patient characteristics and outcomes and submitted these findings to the FDA. In October 2022, we announced that we received guidance from the FDA's review of these findings. Based on this guidance, we do not expect to file an sNDA for this indication at this time. We will continue to explore our options for the wAIHA program in relation to our complete portfolio of development opportunities.

Following our agreement with Forma to acquire exclusive license to develop, manufacture and commercialize olutasidenib, we recorded the upfront payment of $2.0 million as IPR&D, and included such amount within research and development expense in the three and nine months ended September 30, 2022. As specified in the agreement, Forma is entitled to receive future potential development and regulatory milestones. As we incur such milestone payment obligations in the future, we will record such amounts within research and development expenses if such milestone payment obligations are incurred at development stage or prior to a regulatory approval. Further, we may incur research and development costs as we continue to pursue strategic actions to further develop olutasidenib for the treatment of other malignancies.

In November 2021, we exited our early-stage research to focus our resources on our mid to late-stage development programs and our commercialization efforts. In October 2022, we announced further reduction in our workforce resulting to elimination of certain positions primarily in development as well as administration group. We continue to expect cost savings on our research and development costs because of these reduction in workforce. We believe that this strategy strengthens our ability to execute on near-term value drivers, such as growing ITP sales, expanding the addressable market for fostamatinib and olutasidenib, and advancing our other clinical trials.

Currently, we cannot fully forecast the scope of the evolving effects that the COVID-19 pandemic may have on our ability to continue to treat patients enrolled in our trials, enroll and assess new patients, supply study drug, obtain complete data points in accordance with the study protocol, and overall impact on, and timing of, clinical study results.

We do not track fully burdened research and development costs separately for each of our drug candidates. We review our research and development expenses by focusing on three categories: research, development, and other. Our research team is focused on identifying and evaluating product candidates in our focused range of therapeutic indications that can be developed into small molecule therapeutics in our own proprietary programs or with potential collaborative partners. “Research” expenses relate primarily to personnel expenses, lab supplies, fees to third party research consultants and compounds. Our development group leads the implementation of our clinical and regulatory strategies and prioritizes disease indications in which our compounds may be studied in clinical trials. “Development” expenses relate primarily to clinical trials, personnel expenses, costs related to our regulatory filings, lab supplies and fees to third party research consultants. “Other” expenses primarily consist of allocated facilities costs and allocated stock-based compensation expense relating to personnel in research and development groups. “Other” expenses also include the upfront payment to Forma recorded in the third quarter of 2022.

In addition to reviewing the three categories of research and development expenses described in the preceding paragraph, we principally consider qualitative factors in making decisions regarding our research and development programs, which include enrollment in clinical trials and the results thereof, the clinical and commercial potential for our drug candidates and competitive dynamics. We also make our research and development decisions in the context of our overall business strategy, which includes the evaluation of potential collaborations for the development of our drug candidates.

We do not have reliable estimates regarding the timing of our clinical trials. Preclinical testing and clinical development are long, expensive and uncertain processes. In general, biopharmaceutical development involves a series of steps, beginning with identification of a potential target and including, among others, proof of concept in animals and Phase 1, 2 and 3 clinical trials in humans. Significant delays in clinical testing could materially impact our product development costs and timing of completion of the clinical trials. We do not know whether planned clinical trials will begin on time, will need to be halted or revamped or will be completed on schedule, or at all. Clinical trials can be delayed for a variety of reasons, including delays in obtaining regulatory approval to commence a trial, delays from scale up, delays in reaching agreement on acceptable clinical trial agreement terms with prospective clinical sites, delays in obtaining institutional review board approval to conduct a clinical trial at a prospective clinical site or delays in recruiting subjects to participate in a clinical trial.

We currently do not have reliable estimates of total costs for a particular drug candidate to reach the market. Our potential products are subject to a lengthy and uncertain regulatory process that may involve unanticipated additional clinical trials and may not result in receipt of the necessary regulatory approvals. Failure to receive the necessary regulatory approvals would prevent us from commercializing the product candidates affected. In addition, clinical trials of our potential products may fail to demonstrate safety and efficacy, which could prevent or significantly

delay regulatory approval.

The following table presents our total research and development expense by category (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,		From January 1, 2007*
	2022	2021	2022	2021	to September 30, 2022
Categories:					
Research	$ 545	$ 2,220	$ 2,460	6,994	$ 266,692
Development	10,304	14,155	35,432	38,891	532,751
Other	3,817	1,925	7,015	6,048	269,451
	$ 14,666	$ 18,300	$ 44,907	$ 51,933	$ 1,068,894

* We started tracking research and development expense by category on January 1, 2007.

"Other" expenses for the three and nine months ended September 30, 2022 consisted of allocated facilities costs of $1.2 million and $3.5 million, respectively, allocated stock-based compensation expense of $0.6 million and $1.5 million, respectively, and acquired IPR&D of $2.0 million related to our in-license agreement with Forma for each of the respective periods. "Other" expenses for the three and nine months ended September 30, 2021 consisted of allocated facilities cost of $1.5 million and $4.5 million, respectively, and allocated stock-based compensation expense of $0.4 million and $1.5 million, respectively. For the three and nine months ended September 30, 2022 and 2021, a major portion of our total research and development expense was associated with our COVID-19, AIHA and IRAK programs, personnel-related costs of our research and development personnel and allocated facilities costs.

Selling, General and Administrative Expense

	Three Months Ended September 30,		Aggregate	Nine Months Ended September 30,		Aggregate
	2022	2021	Change	2022	2021	Change
		(in thousands)			(in thousands)	
Selling, general and administrative expense	$ 25,897	$ 22,877	$ 3,020	$ 80,279	$ 67,376	$ 12,903
Stock-based compensation expense included in selling, general and administrative expense	$ 2,119	$ 1,800	$ 319	$ 6,791	$ 5,625	$ 1,166

Stock-based compensation expense for the nine months ended September 30, 2022 include an incremental charge of approximately $0.8 million recorded in the first quarter of 2022 as a result of stock option modification in March 2022 related to the extension of exercise period of the stock option grants made to two former Board of Directors whose terms expired in May 2022.

The increase in selling, general and administrative expense in the three months ended September 30, 2022 compared to the same period in 2021 was mainly due to the increase in personnel-related costs and recruitment fees of $1.6 million, increase in trainings, conferences and travel related costs of $0.7 million, increase in costs of commercial activities of $0.2 million, and increase in other various sales, general and administrative costs of $0.5 million.

The increase in selling, general and administrative expense in the nine months ended September 30, 2022 compared to the same period in 2021 was mainly due to the increase in personnel-related costs and recruitment fees of $5.9 million, increase in costs of commercial activities of $3.8 million, increase in trainings, conferences and travel related costs of $2.4 million, increase in stock-based compensation expense of $1.2 million primarily due to an incremental charge as discussed above, and increase in other various sales, general and administrative costs of $0.3 million. These increases were partially offset by the decrease in our consulting and third-party services of $0.7 million.

We expect our selling, general and administrative expense for the remainder of 2022 to increase as we continue to expand our commercial activities, including the effect of the recent sales force expansion and prepare for the potential commercial launch of olutasidenib. As discussed above, in October 2022, we announced a reduction in our workforce

resulting to elimination of certain positions in our administrative group. We expect some cost savings on our general and administrative costs in the future because of such reduction in workforce. In response to the limitations on in-person office visits during the ongoing COVID-19 pandemic, we continue to deploy resources to enable our field-based employees to continue to engage virtually with healthcare providers. These virtual engagements have enabled our field team to support existing prescribers as well as partner with new prescribers to identify appropriate patients for our product. However, we are not currently able to fully forecast the scope of impacts that the COVID-19 pandemic may have on our commercial activities and sales of our product.

Interest Income and Interest Expense

	Three Months Ended September 30,		Aggregate	Nine Months Ended September 30,		Aggregate
	2022	2021	Change	2022	2021	Change
		(in thousands)			(in thousands)	
Interest income	$ 192	$ 14	$ 178	$ 255	$ 31	$ 224
Interest expense	$ (826)	$ (1,317)	$ 491	$ (2,600)	$ (3,561)	$ 961

Interest income is primarily related to our interest-bearing cash and investment balances.

Interest expense is comprised primarily of interest on the outstanding term loan with MidCap and interest accreted on the outstanding financing liability associated with the license agreements with Lilly and Medison. The decrease in interest expense in the three and nine months ended September 30, 2022, compared with the same periods in 2021, were mainly due to the timing of accretion of interest on the outstanding financing liability. During the three and nine months ended September 30, 2022, no interest and $0.7 million interest, respectively, was recognized on the outstanding financing liability, compared to $0.9 million and $2.3 million, for the three and nine months ended September 30, 2021, respectively. The decrease in interest expense as discussed above were partially offset by higher interest on our term loan with MidCap due to the increase in the outstanding term loan balance. In February 2022, we accessed additional $10.0 million term loan (Tranche 3), and in July 2022, we accessed additional $10.0 million term loan (Tranche 4) from our credit facility with MidCap.

Provision for Income Taxes

	Three Months Ended September 30,		Aggregate	Nine Months Ended September 30,		Aggregate
	2022	2021	Change	2022	2021	Change
		(in thousands)			(in thousands)	
Provision for (benefit from) income taxes	$ —	$ (136)	$ 136	$ —	665	$ (665)

For the three and nine months ended September 30, 2022, we did not recognize provision for income taxes due to our pre-tax book loss as we continue to record a full valuation allowance on our deferred tax assets considering our cumulative losses in prior years and forecasted losses in the future. The benefit from and the provision for income tax for the three and nine months ended September 30, 2021 were determined using our effective tax rate on our year-to-date income (loss). We estimated a state tax liability over our pre-tax income (loss) for 2021, which was primarily due to revenue recognized for the Lilly Agreement. We did not estimate a provision for federal income taxes due to the sufficient net operating loss carryforwards that were generated prior to enactment of the Tax Cuts and Jobs Act, as well as our ability to utilize significant research and development credit carryforwards

Critical Accounting Policies and Use of Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe 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 may differ from these estimates under different assumptions or conditions.

Our critical accounting estimates are described in "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" in our Annual Report on Form 10-K. There had been no material changes to these accounting policies.

Our significant accounting policies are described in "Note 1 – Description of Business and Summary of Significant Accounting Policies" to our "Notes to Financial Statements" contained in "Part II, Item 8, Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes to these accounting policies except for our accounting associated with our in-license agreement with Forma as discussed in detail in "Note 4 - Sponsored Research and License Agreements and Government Contract" to our "Notes to Condensed Financial Statements" contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

No new accounting guidance adopted during the period. Recently issued accounting guidance is not applicable or did not have, or is not expected to have, a material impact to us.

Liquidity and Capital Resources

Liquidity

As of September 30, 2022, we had approximately $81.6 million in cash, cash equivalents and short-term investments, as compared to approximately $125.0 million as of December 31, 2021. We continue to maintain investment portfolios primarily in money market funds, US treasury bills, government-sponsored enterprise securities, and corporate bonds and commercial paper. Cash in excess of immediate requirements is invested with regard to liquidity and capital preservation. We view our investments portfolio as available-for-sale and are available for use in current operations. Wherever possible, we seek to minimize the potential effects of concentration and degrees of risk. We continue to monitor the impact of the changes in the conditions of the credit and financial markets to our investment portfolio and assess if future changes in our investment strategy are necessary.

Following summarizes our cash flow activity for the periods presented:

	Nine Months Ended September 30,	
	2022	2021
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ (51,849)	$ 24,964
Investing activities	54,179	(86,524)
Financing activities	8,646	61,590
Net increase in cash and cash equivalents	$ 10,976	$ 30

Net cash used in operating activities for the nine months ended September 30, 2022 was primarily related to payments for our research and development programs and other operating expenses, partially offset by the proceeds from sales of TAVALISSE, and the timing of cash receipt from our collaboration partners and cash grant from the US Department of Defense. Net cash provided by operating activities for the nine months ended September 30, 2021 was primarily due to the cash received from Lilly for the portion allocated as net transaction price of $67.1 million, proceeds from sales of TAVALISSE, and timing of cash receipt from our collaboration partners and cash grant from the US Department of Defense. These increases were partially offset by payments of our research and development programs and other operating expenses.

Net cash provided by investing activities for the nine months ended September 30, 2022 comprises net maturities of short-term investments of $54.0 million and proceeds from disposal of assets of $0.5 million, partially offset by capital expenditures of $0.4 million. Net cash used in investing activities for the nine months ended September 30, 2021 comprises net purchases of short-term investments of $85.9 million and capital expenditures of $0.6 million.

Net cash provided by financing activities for the nine months ended September 30, 2022 was primarily due to the net cash proceeds from term loan financing (Tranche 3 and 4) of $19.5 million and proceeds from exercises of stock options and participation in the Purchase Plan of $1.5 million, partially offset by our payment of cost share to Lilly of $12.4 million. Net cash provided by financing activities for the nine months ended September 30, 2021 was primarily due to the cash received from Lilly for the portion allocated as financing component amounting to $57.9 million, and proceeds from exercise of stock options and participation in the Purchase Plan of $3.7 million.

We believe that our existing capital resources will be sufficient to support our current and projected funding requirements, including the continued commercialization of TAVALISSE as well as the potential commercial launch of olutasidenib, through at least the next 12 months from the Form 10-Q filing date. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with commercializing a product, the development of our product candidates and other research and development activities, we are unable to estimate with certainty our future product revenues, our revenues from our current and future collaborative partners, the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials and other research and development activities.

Capital Resources

Since inception, we have financed our operations primarily through sales of equity securities, debt financing, from sales of TAVALISSE beginning in May 2018, and contract payments under our collaboration agreements.

Under our existing collaboration agreements that we entered in the ordinary course of business, we received or may be entitled to receive upfront cash payments, payments contingent upon specified events achieved by such partners and royalties on any net sales of products sold by such partners under the agreements. As of September 30, 2022, total future contingent payments to us under our existing agreements, excluding terminated agreements, could exceed $1.3 billion if all potential product candidates achieved all of the payment triggering events under all of our current agreements. This estimated future contingent amount does not include any estimated royalties that could be due to us if the partners successfully commercialize any of the licensed products. Future events that may trigger payments to us under the agreements are based solely on our partners' future efforts and achievements of specified development, regulatory and/or commercial events. See further discussion in "Note 4 - Sponsored Research and License Agreements and Government Contract" to our "Notes to Condensed Financial Statements" contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In January 2021, we were awarded $16.5 million by the US Department of Defense to support our ongoing Phase 3 clinical trial to evaluate the safety and efficacy of fostamatinib in hospitalized COVID-19 patients. Under the agreement with the US Department of Defense, we are entitled to receive such award based on the agreed-upon payment schedule, subject to submission of proper documentation as evidence of completion of certain clinical trial events or milestones as specified in the agreement, and approval by the US Department of Defense that such events or milestones have been met. Through September 30, 2022, we recognized $13.0 million in revenue from this award and expect to receive the remaining awards of $3.5 million throughout the period of which we conduct our clinical trial, subject to us meeting certain clinical trial events or milestones and approval by the US Department of Defense as specified in the agreement.

In August 2020, we entered into an Open Market Sale Agreement [SM] with Jefferies LLC, as a sole agent, pursuant to which we may sell from time to time, through Jefferies, shares of our common stock in sales deemed to be "at-the-market offerings" as defined in Rule 415 under the Securities Act, subject to conditions specified in the Open Market Sale Agreement, including maintaining an effective registration statement covering the sale of shares under the Open Market Sale Agreement. In April 2021, the registration statement registering the sale of shares under the Open Market Sale Agreement expired. From the time of implementation of the Open Market Sale Agreement through expiration of the registration statement, no sales of shares occurred. On August 3, 2021, we filed a new automatic shelf registration statement as a qualified well-known seasoned issuer (WKSI), such term as defined in Rule 405 of the Securities Act. The automatic shelf registration statement was filed to register, among other securities, the sale of up to a maximum aggregate offering price of $100.0 million of shares of our common stock that may be issued and sold from time to time under the Open Market Sale Agreement; and a base prospectus which covers the offering, issuance, and sale by us of the securities identified from time to time in one or more offerings. On March 1, 2022, we filed a post-

effective amendment to the automatic shelf registration statement immediately after filing our Annual Report on Form 10-K for the year ended December 31, 2021, because we no longer qualified as a WKSI upon filing of such Annual Report. The post-effective amendment was declared effective on May 3, 2022. The post-effective amendment registers, among other securities, a base prospectus which covers the offering, issuance, and sale by us of up to $250.0 million in the aggregate of the securities identified from time to time in one or more offerings, which include the $100.0 million of shares of our common stock that may be offered, issued and sold under the Open Market Sale Agreement.

We have a Credit Agreement with MidCap entered in September 2019, and subsequently amended in March 2021, February 2022 and July 27, 2022. The Credit Agreement provides for $60.0 million term loan credit facility. As of September 30, 2022, we have a principal term loan outstanding with MidCap amounting to $40.0 million and the facility gives us the ability to access an additional $20.0 million at our option through March 31, 2023, subject to the achievement of certain customary conditions.

We have a sublease agreement originally entered in December 2014, and subsequently amended in February 2017 and July 2017, with an unrelated third party to occupy a portion of our research and office space which expire in January 2023. As of September 30, 2022, we expect to receive approximately $1.6 million in future sublease income (excluding our subtenant's share of facility's operating expenses) through January 2023.

Our operations will require significant additional funding for the foreseeable future. Unless and until we are able to generate a sufficient amount of product, royalty or milestone revenue, we expect to opportunistically finance future cash needs through public and/or private offerings of equity securities, debt financings and/or collaboration and licensing arrangements, and to a much lesser extent through the proceeds from exercise of stock options and interest income earned on the investment of our excess cash balances and short-term investments. However, the COVID-19 pandemic continues to rapidly evolve and has already resulted in a significant disruption of global financial markets. Our ability to raise additional capital may be adversely impacted by potential worsening of global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the US and worldwide resulting from the pandemic. If the disruption persists and deepens, we could experience an inability to access additional capital, which could in the future negatively affect our capacity for certain corporate development transactions or our ability to make important, opportunistic investments. In addition, any additional capital we raise by issuing equity securities, our stockholders could at that time experience substantial dilution. Our current credit facility with MidCap and any debt financing that we are able to obtain in the future may involve operating covenants that may restrict our business. To the extent that we raise additional funds through collaboration and licensing arrangements, we may be required to relinquish some of our rights to our technologies or product candidates or grant licenses on terms that are not favorable to us.

Our future funding requirements will depend upon many factors, including, but not limited to:

- the ongoing costs to commercialize TAVALISSE for the treatment of ITP in the US, or any other future product candidates, if any such candidate receives regulatory approval for commercial sale;
- our ability to generate expected revenue from our commercialization efforts;
- the progress and success of our clinical trials and preclinical activities (including studies and manufacture of materials) of our product candidates conducted by us;
- our ability to meet operating covenants under our current and future credit facilities, if any;
- our ability to enter into partnering opportunities across our pipeline within and outside the US;
- the costs and timing of regulatory filings and approvals by us and our collaborators;
- the progress of research and development programs carried out by us and our collaborative partners;
- any changes in the breadth of our research and development programs;
- the ability to achieve the events identified in our collaborative agreements that may trigger payments to us from our collaboration partners;
- our ability to acquire or license other technologies or compounds that we may seek to pursue;
- our ability to manage our growth;

- competing technological and market developments;
- the costs and timing of obtaining, enforcing and defending our patent and other intellectual property rights; and
- expenses associated with any unforeseen litigation, including any arbitration and securities class action lawsuits.

Insufficient funds may require us to delay, scale back or eliminate some or all of our commercial efforts and/or research or development programs, to lose rights under existing licenses or to relinquish greater or all rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose or may adversely affect our ability to operate as a going concern.

Material Cash Requirements

We conduct our commercial activities and research and development programs internally and through third parties that include, among others, arrangements with vendors, consultants, contract research organizations (CRO) and universities. We have contractual arrangements with these parties, however our contracts with them are cancelable generally on reasonable notice within one year and our obligations under these contracts are primarily based on services performed. We do not have any purchase commitments under any collaboration arrangements.

We have agreements with certain clinical research organizations to conduct our clinical trials and with third parties relative to our commercialization of TAVALISSE. The timing of payments for any amounts owed under the respective agreements will depend on various factors including, but not limited to, patient enrollment and other progress of the clinical trial and various activities related to commercial launch. We expect we will continue to enter into contracts in the normal course of business with various third parties who support our clinical trials, support our preclinical research studies, and provide other services related to our operating purposes as well as our commercial launch of TAVALISSE. We can terminate these agreements at any time, and if terminated, we would not be liable for the full amount of the respective agreements. Instead, we will be liable for services provided through the termination date plus certain cancellation charges, if any, as defined in each of the respective agreements. In addition, these agreements may, from time to time, be subjected to amendments as a result of any change orders executed by the parties.

As discussed in detail in “Note 4 – Sponsored Research and License Agreements and Government Contract” of our “Notes to Condensed Financial Statements” contained in Part I, Item 1 of this Quarterly Report on Form 10-Q, pursuant to our global exclusive license agreement and strategic collaboration agreement with Lilly, we are responsible for funding the development costs for R552 in the US, Europe, and Japan, up to $65.0 million through April 1, 2024. Through September 30, 2022, Lilly billed us $12.4 million of the funding development costs and the amounts were fully paid as of September 30, 2022. We have the right to opt-out of co-funding of development costs at two different specified times. If we decide not to exercise our opt-out rights, we will be required to share in global development costs up to certain amounts at a specified cap, as set forth in the agreement.

Additionally, as discussed in detail in “Note 4 – Sponsored Research and License Agreements and Government Contract” of our “Notes to Condensed Financial Statements” contained in Part I, Item 1 of this Quarterly Report on Form 10-Q, in July 2022, we entered into a license and transition services agreement with Forma. Pursuant to such agreement, we paid Forma an upfront fee of $2.0 million, with potential for an additional development and regulatory milestone payments of up to $67.5 million, commercial milestone payments of up to $165.5 million, and tiered royalty payments. As of September 30, 2022, no milestone payment was met. In October 2022, a regulatory milestone was met which entitles Forma to receive a $2.5 million milestone payment.

As of September 30, 2022, we have a contractual commitment related to our facilities lease which will expire in January 2023 amounting to $3.5 million. This amount excludes the expected sublease income as discussed above. As discussed in “Note 12 – Subsequent Events” of our “Notes to Condensed Financial Statements” contained in Part I, Item 1 of this Quarterly Report on Form 10-Q, on October 28, 2022, we entered into a sublease agreement with Atara to sublease approximately 13,670 rentable square feet of office space located in South San Francisco, California. Subject to the terms of the sublease agreement, the lease term shall commence no sooner than November 1, 2022 and shall expire on May 24, 2025. The future lease payments associated with this sublease agreement are approximately $1.7 million. We expect this new leased facility will be held as our new headquarters following the expiration of our current leased facility

in South San Francisco, California in January 2023.

As discussed above, we have a contractual commitment with respect to our credit facility with MidCap. Under the amended Credit Agreement, the term loans mature on September 1, 2026, and the interest-only period is through October 1, 2024. The interest rate applicable to the term loans under the amended Credit Agreement is the sum of one-month SOFR, plus an adjustment of 0.11448%, subject to 1.50% applicable floor, plus applicable margin of 5.65%. A final payment fee of 2.5% of principal is due at maturity date of the term loans. As of September 30, 2022, the outstanding principal amount of the loan was $40.0 million, and no principal payments are due within 12 months. We are also obligated to pay annual administrative fees and a final fee due at maturity. Future interest and final fee payments associated with the credit facility amounted to $9.6 million, with approximately $3.0 million is payable within 12 months.

We are also subject to claims related to the patent protection of certain of our technologies, as well as purported securities class action lawsuit, other litigations, and other contractual agreements. We are required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies is made after careful analysis of each individual matter.

We do not have other material contractual commitments with respect to matters discussed above.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities related to our short-term investments and outstanding loans. There were no material changes to our quantitative and qualitative disclosures about market risk related to our investment activities during the nine months ended September 30, 2022 as disclosed in “Item 7A. Quantitative and Qualitative Disclosures About Market Risks” of our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Based on the evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), our chief executive officer (who serves as our principal executive officer) and our chief financial officer (who serves as our principal financial officer) have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

Changes in Internal Controls. There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the controls are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met and, as set forth above, our chief executive officer and chief financial officer have concluded, based on their evaluation as of the end of the period covered by this report, that our disclosure controls and procedures were sufficiently effective to provide reasonable assurance that the objectives of our disclosure control system were met.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In June 2022, we received a notice letter regarding an ANDA submitted to the FDA by Annora, requesting approval to market a generic version of TAVALISSE. The notice letter included a Paragraph IV certification with respect to our US Patent Nos. 7,449,458; 8,263,122; 8,652,492; 8,771,648 and 8,951,504, which are listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (referred to as the "Orange Book"). The notice letter asserts that these patents will not be infringed by Annora's proposed product, are invalid and/or are unenforceable. Annora's notice letter does not provide a Paragraph IV certification against our other patents listed in the Orange Book. On July 25, 2022, we filed a lawsuit in the US District Court for the District of New Jersey against Annora and its affiliates, Hetero Labs Ltd., and Hetero USA, Inc., for infringement of our US patents identified in Annora's Paragraph IV certification. On September 21, 2022, Annora and its affiliates answered and counterclaimed for declaratory judgment of non-infringement and invalidity of the '458, '122, '492, '648, and '504 patents. We filed an answer to Annora's counterclaims on October 12, 2022. We intend to vigorously enforce and defend our intellectual property related to TAVALISSE.

We may also from time to time become a party or subject to other legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. Some of these proceedings that we may be involved in the future, are claims that are subject to substantial uncertainties and unascertainable damages or other remedies.

Item 1A. Risk Factors

In evaluating our business, you should carefully consider the following risks, as well as the other information contained in this Quarterly Report on Form 10-Q. These risk factors could cause our actual results to differ materially from those contained in forward-looking statements we have made in this Quarterly Report on Form 10-Q and those we may make from time to time. If any of the following risks actually occurs, our business, financial condition and operating results could be harmed. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also harm our business.

We have marked with an asterisk (*) those risk factors below that reflect a substantive change from the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 1, 2022, if any.

Risk Factor Summary

- Our prospects are highly dependent on our first commercial product, TAVALISSE (fostamatinib disodium hexahydrate). To the extent that the commercial success of TAVALISSE or fostamatinib in the US and respective territories outside of the US is diminished or is not commercially successful, our business, financial condition and results of operations may be adversely affected, and the price of our common stock may decline.
- Our business is currently adversely affected and could be materially and adversely affected in the future by the evolving effects of the COVID-19 pandemic as a result of the current and potential future impacts on our commercialization efforts, supply chain, regulatory, clinical development and corporate development activities and other business operations, in addition to the impact of a global economic slowdown.
- We may not be able to obtain EUA for fostamatinib for the treatment of hospitalized patients with COVID-19, and, even if we do, absent supplemental NDA approval for that indication, such EUA would be revoked when the COVID-19 emergency terminates.
- We may not be able to successfully develop or commercialize our product candidates if problems arise in the clinical testing and approval process. There is a high risk that drug discovery and development efforts might not generate successful product candidates. If the results of our clinical trials do not meet the primary efficacy endpoints, or if the top-line data from the results of our clinical trials may not ultimately meet the requirements for an NDA approval by the FDA, or if the NDA submitted by Forma for olutasidenib to the FDA is not approved, the commercial prospects of our business may be harmed, and our ability to generate product revenues may be delayed or eliminated.
- Even if we, or any of our collaborative partners, are able to continue to commercialize TAVALISSE or any product candidate that we, or they, develop, the product may become subject to unfavorable pricing regulations, unfavorable health technology assessments (HTA) assessment, third-party payor reimbursement practices or labeling restrictions, all of which may vary from country to country and any of which could harm our business.
- If we are unable to successfully market and distribute TAVALISSE and retain experienced sales force, our business will be substantially harmed.
- We are subject to stringent and evolving privacy and information security laws, regulations, rules, policies and contractual obligations, and changes in such laws, regulations, rules, policies, contractual obligations and our actual or perceived failure to comply with such requirements could subject us to significant investigations, fines, penalties, and claims, any of which may have a material adverse effect on our business, financial condition, results of operations or prospects.
- If manufacturers obtain approval for generic versions of TAVALISSE, or of products with which we compete, our business may be harmed.
- Unforeseen safety issues could emerge with TAVALISSE that could require us to change the prescribing information to add warnings, limit use of the product, and/or result in litigation. Any of these events could have a negative impact on our business.

- We rely and may continue to rely on two distribution facilities for the sale of TAVALISSE and potential sale of any of our product candidates. If either or both of them become subject to adverse findings from inspections or face other difficulties to operate, then the distribution of TAVALISSE may be interrupted or otherwise adversely affected.

- We lack the capability to manufacture compounds for clinical development and we intend to rely on third parties for commercial supply, manufacturing and distribution if any of our product candidates which receive regulatory approval and we may be unable to obtain required material or product in a timely manner, at an acceptable cost or at a quality level required to receive regulatory approval.

- Any product for which we have obtained regulatory approval, or for which we obtain approval in the future, is subject to, or will be subject to, extensive ongoing regulatory requirements by the FDA, EMA and other comparable regulatory authorities, and if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, we may be subject to penalties, we will be unable to generate revenue from the sale of such products, our potential for generating positive cash flow will be diminished, and the capital necessary to fund our operations will be increased.

- If our corporate collaborations or license agreements are unsuccessful, or if we fail to form new corporate collaborations or license agreements, our research and development efforts could be delayed.

- Our success is dependent on intellectual property rights held by us and third parties, and our interest in such rights is complex and uncertain.

- If a dispute arises regarding the infringement or misappropriation of the proprietary rights of others, such dispute could be costly and result in delays in our research and development activities and partnering.

- If our competitors develop technologies that are more effective than ours, our commercial opportunity will be reduced or eliminated.

- If product liability lawsuits are successfully brought against us, we may incur substantial liabilities and may be required to limit commercialization of our products.

Risks Related to Our Business and Our Industry

If the market opportunities for TAVALISSE and product candidates are smaller than we believe they are, our revenues may be adversely affected, and our business may suffer.

Certain of the diseases that TAVALISSE and our other product candidates being developed to address are in underserved and underdiagnosed populations. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who will seek treatment utilizing our products or product candidates, may not be accurate. If our estimates of the prevalence or number of patients potentially on therapy prove to be inaccurate, the market opportunities for fostamatinib and our other product candidates may be smaller than what we believe they are, our prospects for generating expected revenue may be adversely affected and our business may suffer. For example, complications due to COVID-19 may be prevented or well-addressed by others entering the market with vaccines or therapeutics to prevent or treat COVID-19, thereby affecting projections of the market for our product candidate negatively, and adversely affecting our business.

We may need to continue to increase the size of our organization and we may encounter difficulties with managing our growth, which could adversely affect our business and results of operations.

Although we have recently substantially increased the size of our organization particularly in our sales force, we may need to add additional qualified personnel and resources to support our commercial activities. Our current infrastructure may be inadequate to support our development and commercialization efforts and expected growth. Future growth will impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees, and may take time away from running other aspects of our business, including commercialization of TAVALISSE and development of our other product candidates.

Our future financial performance and our ability to sustain successful commercialization of TAVALISSE and our ability to commercialize other product candidates that may receive regulatory approval will depend, in part, on our ability to manage any future growth effectively. In particular, as we continue to commercialize TAVALISSE, we will need to support the training and ongoing activities of our sales force and will likely need to continue to expand the size of our employee base for managerial, operational, financial and other resources. To that end, we must be able to successfully:

- manage our development efforts effectively;
- integrate additional management, administrative and manufacturing personnel;
- further develop our marketing and sales organization; and
- maintain sufficient administrative, accounting and management information systems and controls.

We may not be able to accomplish these tasks or successfully manage our operations and, accordingly, may not achieve our research, development, and commercialization goals. Our failure to accomplish any of these goals, including as a result of business or other interruptions resulting from the ongoing COVID-19 pandemic, could adversely affect our business and operations.

Our business is currently adversely affected and could be materially and adversely affected in the future by the evolving effects of the COVID-19 pandemic as a result of the current and potential future impacts on our sales force and commercialization efforts, supply chain, regulatory, clinical development and corporate development activities and other business operations, in addition to the impact of a global economic slowdown.*

The COVID-19 pandemic has resulted in extended travel and other restrictions in order to reduce the spread of the disease. During 2020 and 2021, several states and counties across the country including California and the San Francisco Bay Area issued orders and restrictions, including directing individuals to shelter in place, prohibiting certain non-essential gatherings, directing businesses and governmental agencies to cease non-essential operations at physical locations and advising against non-essential travel. We are continuing to monitor the impact of the evolving effects of the COVID-19 pandemic and have undertaken, and plan to continue to undertake, safety measures to keep our staff, patients, investigators and stockholders safe and to help the communities where we live and work to reduce the number of people exposed to the virus. Through our existing CMT, we implemented and continue to monitor our business continuity plans to prevent or minimize business disruption and ensure the safety and well-being of our personnel. Our CMT meets regularly to assess the effectiveness of our business continuity plans and make adjustments accordingly as COVID-19 continues to evolve. We have the Plan in place to provide guidelines when working onsite. We continue to evaluate the workplace for compliance with the local, state and federal guidance and may modify or update at any time to ensure the safety of our employees, contractors and visitors. During the first quarter of 2022, we updated our Plan as we move towards a hybrid schedule, reinstituting more in-person interactions back into our business beginning April 2022. We endeavor to provide the safest and most effective work environment under the circumstances, but we cannot guarantee that employees who come to the office will not be exposed to COVID-19 while at the office. Although we have recently initiated return-to-work initiatives, certain employees continue to work remotely and only on-site on certain business days. Our continued reliance on personnel working from home may negatively impact productivity, disrupt, delay, or otherwise adversely impact our business. In addition, with certain employees continuing to work remotely, our exposure to cybersecurity risk has increased. This also creates data accessibility concerns and make us more susceptible to communication disruptions. Although most states and counties have since eased restrictions as the number of COVID-19 cases declined, the resurgence of COVID-19 cases and emergence of new variants of the virus could force states and counties to reinstate more severe restrictions to reduce the spread of the disease. The evolving effects of the COVID-19 pandemic and government measures taken in response have had a significant impact, both direct and indirect, on businesses and commerce, as significant reductions in business related activities have occurred, supply chains have been disrupted, and manufacturing and clinical development activities have been curtailed or suspended.

Since the COVID-19 pandemic was declared, we have observed reduced patient-doctor interactions and our representatives have had fewer visits with health care providers, which negatively affected our product sales and may continue to negatively affect our product sales in the future. Physicians with practices severely impacted by the COVID-19 pandemic, and who currently prescribe TAVALISSE, may eventually decide to close their independent practices and

join a larger medical organization with a practice that does not prescribe TAVALISSE. Additionally, commercial-related activities, such as our marketing programs, speaker bureaus, and market access initiatives have been conducted virtually, delayed or cancelled as a result of the COVID-19 pandemic. Resources have been deployed to enable our field-based employees to continue to engage with health care providers virtually, and recently hybrid virtual and in-person interactions. Although these engagements have enabled our field team to support existing prescribers, as well as partner with new prescribers to identify appropriate patients for TAVALISSE, we cannot rule out the future impact on our business if the pandemic continues for an extended period of time.

With respect to clinical development, we have taken, and continue to take, measures to implement remote and virtual approaches, including remote patient monitoring where possible per recent FDA guidance and working with our investigators for appropriate care of these patients in a safe manner consistent with agency guidelines. We have a number of ongoing clinical trials, including our global Phase 3 clinical studies in COVID and IRAK 1/4 inhibitor program. A number of our clinical trial investigators have paused, postponed or delayed new patient enrollment and restricted site visits of existing patients enrolled. Although some sites have resumed patient screening, the progress is slow, and we continue to experience delays in new patient enrollment. We are continuing to make decisions country-by-country to minimize risk to the patients and clinical trial sites. We also rely heavily on our clinical trial investigators to inform us of the best course of action with respect to resuming enrollment/screening, considering the ability of sites to ensure patient safety or data integrity. Patients already enrolled in our studies continue to receive study drug, and we remain focused on supporting our sites in providing care for these patients and providing continued investigational drug supply. We continue to experience slower than anticipated enrollment in some of our clinical trials, and at this time we cannot currently fully forecast the scope of impact that the COVID-19 pandemic may have overall on clinical study results, including the timing thereof, or our ability to continue to treat patients enrolled in our trials, enroll and assess new patients, supply study drug and obtain complete data points in accordance with study protocol.

With respect to our supply chain, we currently do not anticipate significant disruption in the supply chain for our commercial product, TAVALISSE. However, we do not know the full extent of the impact on our supply chain if the COVID-19 pandemic continues and persists for an extended period of time. We currently rely on third parties to, among other things, manufacture and ship our commercial product, raw materials and product supply for our clinical trials, perform quality testing and supply other goods and services to help manage our commercial activities, our clinical trials and our operations in the ordinary course of business. We have engaged actively with various elements of our supply chain and distribution channel, including our customers, contract manufacturers, and logistics and transportation provider, to meet demand for TAVALISSE and to remain informed of any challenges within our supply chain. We continue to monitor demand, and intend to adapt our plans as needed to continue to drive our business and meet our obligations during the evolving COVID-19 pandemic. However, if the COVID-19 pandemic continues and persists for an extended period of time, we may face continued disruptions to our supply chain and operations, and associated delays in the manufacturing and supply of TAVALISSE. Such supply disruptions would adversely impact our ability to generate sales of and revenues from TAVALISSE and our business, financial condition, results of operations and growth prospects could be adversely affected.

The COVID-19 pandemic has similarly affected our collaboration and licensing partners for the commercialization of fostamatinib globally, as well as our ability to advance our various clinical stage programs. We do not yet know the full impact of such disruptions on our partners' ability to advance commercialization of fostamatinib in the market and the timing of enrollment and completion of various clinical trials being conducted by our collaboration partners.

Health regulatory agencies globally may experience prolonged disruptions in their operations as a result of the COVID-19 pandemic. For example, in response to the COVID-19 pandemic, on March 10, 2020, the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products inspections of domestic manufacturing facilities through April 2020. On March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities and provided guidance regarding the conduct of clinical trials. On July 10, 2020, the FDA announced that it is working toward the goal of restarting on-site inspections it deems to be "mission critical." On August 19, 2020, the FDA published guidance clarifying how it intends to conduct inspections during the COVID-19 pandemic, including how it plans to determine which inspections are "mission critical." The FDA published an updated form of this guidance on May 17, 2021. Additionally, on April 14, 2021, the FDA issued a guidance document in which the FDA described its plans to conduct voluntary remote

interactive evaluations of certain drug manufacturing facilities and clinical research sites. According to the guidance, the FDA intends to request such remote interactive evaluations in situations where an in-person inspection would not be prioritized, deemed mission-critical, or where direct inspection is otherwise limited by travel restrictions, but where the FDA determines that remote evaluation would still be appropriate. It is unclear how the FDA's policies and guidance will impact any inspections of our facilities, including our clinical trial sites. Regulatory authorities outside the US may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. It is unknown how long these disruptions could continue. Any de-prioritization of our clinical trials or delay in regulatory review resulting from such disruptions could materially affect the completion of our clinical trials. FDA has since adjusted its inspection activities in response to the ongoing COVID-19 pandemic. On December 29, 2021, the FDA implemented temporary changes to its inspectional activities to ensure the safety of its employees and regulated firms. On February 2, 2022, FDA announced that it would resume domestic surveillance inspections across all product areas on February 7, 2022. We cannot predict whether, and when, FDA will decide to pause or resume inspections due to the COVID-19 pandemic.

In addition, the evolving effects of the COVID-19 pandemic have already resulted in a significant disruption of global financial markets. If the disruption persists and deepens, we could experience an inability to access additional capital or we may not be able to meet the requirements under our credit agreement with MidCap in order for us to access the funds remaining under such credit agreement. We could also experience an impact on liquidity, which could in the future negatively affect our capacity for certain corporate development transactions or our ability to make other important, opportunistic investments. In addition, a recession or market correction resulting from the impact of the evolving effects of COVID-19 could materially affect our business and the value of our common stock. While we expect the evolving effects of the COVID-19 pandemic to adversely affect our business operations and financial results, the extent of the impact on our ability to generate sales of and revenues from our approved products, our ability to continue to secure new collaborations and support existing collaboration efforts with our partners, our clinical development and regulatory efforts, our corporate development objectives and the value of and market for our common stock, will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time, such as the ultimate duration and severity of the pandemic, travel restrictions, quarantines, social distancing and business closure requirements in the US and other countries, and the effectiveness of actions taken globally to contain and treat the disease. For example, if remote work policies for certain portions of our business, or that of our business partners, are continuously extended and become more restrictive, we may need to reassess our priorities and our corporate objectives. Given the global economic slowdown, the risks and uncertainties associated with the pandemic could adversely affect our business, financial condition, results of operations and growth prospects in the future periods.

To the extent the evolving effects of the COVID-19 pandemic continues to adversely affect our business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties described elsewhere in this "Risk Factors" section.

There is a high risk that drug discovery and development efforts might not generate successful product candidates.*

At the present time, a significant portion of our operations are focused on various stages of drug identification and development. We currently have various product candidates in the clinical testing stage. In our industry, it is statistically unlikely that the limited number of compounds that we have identified as potential product candidates will actually lead to successful product development efforts. We have invested a significant portion of our efforts and financial resources into the development of fostamatinib. Our ability to generate product revenue, which will not occur until after regulatory approval, if ever, will depend on the successful development, regulatory approval and eventual commercialization of one of our product candidates.

Our compounds in clinical trials and our future leads for potential drug compounds are subject to the risks and failures inherent in the development of pharmaceutical products. These risks include, but are not limited to, the inherent difficulty in selecting the right drug and drug target and avoiding unwanted side effects, as well as unanticipated problems relating to product development, testing, enrollment, obtaining regulatory approvals, obtaining and maintaining reimbursement in national markets and positive recommendation from HTA bodies, maintaining regulatory compliance, manufacturing, competition and costs and expenses that may exceed current estimates. In future clinical trials, we or our partners may discover additional side effects and/or a higher frequency of side effects than those observed in previously completed clinical trials. The results of preliminary and mid-stage clinical trials do not necessarily predict clinical or commercial success, and larger later-stage clinical trials may fail to confirm the results observed in the previous clinical trials. Similarly, a clinical trial may show that a product candidate is safe and effective

for certain patient populations in a particular indication, but other clinical trials may fail to confirm those results in a subset of that population or in a different patient population, which may limit the potential market for that product candidate. With respect to our own compounds in development, we have established anticipated timelines with respect to the initiation of clinical trials based on existing knowledge of the compounds. However, we cannot provide assurance that we will meet any of these timelines for clinical development. Additionally, the initial results of a completed earlier clinical trial of a product candidate do not necessarily predict final results and the results may not be repeated in later clinical trials.

Because of the uncertainty of whether the accumulated preclinical evidence (PK, pharmacodynamic, safety and/or other factors) or early clinical results will be observed in later clinical trials, we can make no assurances regarding the likely results from our future clinical trials or the impact of those results on our business. For example, we initiated our FORWARD study, a Phase 3 pivotal trial of fostamatinib in patients with wAIHA in March 2019, completed the enrollment in November 2021 and completed the treatment period for the last patient under the study in April 2022. In June 2022, we announced top-line efficacy and safety data results of our FORWARD study, and the results of the trial did not demonstrate statistical significance in the primary efficacy endpoint of durable hemoglobin response in the overall study population. We conducted an in-depth analysis of these data to better understand differences in patient characteristics and outcomes and submitted these findings to the FDA. In October 2022, we announced that we received guidance from the FDA's review of these findings. Based on this guidance, we do not expect to file a sNDA for this indication at this time. We will continue to explore our options for the wAIHA program in relation to our complete portfolio of development opportunities. Further, we have our Phase 3 clinical trial to evaluate safety and efficacy of fostamatinib in hospitalized COVID-19 patients which we launched in November 2020. In July 2022, we completed the enrollment on this study, and on November 1, 2022, we announced the top-line results of the clinical trial. The trial approached but did not meet statistical significance in the primary efficacy endpoint. All prespecified secondary endpoints in the study numerically favored fostamatinib over placebo, including mortality, time to sustained recovery, change in ordinal scale assessment, and number of days in the ICU. We are evaluating the opportunity and next steps in collaboration with our partner, the US Department of Defense.

If the results of our clinical trials fail to meet the primary efficacy endpoints, or otherwise do not ultimately meet the requirements for an NDA approval by the FDA, the commercial prospects of our business may be harmed, our ability to generate product revenues may be delayed or eliminated or we may be forced to undertake other strategic alternatives that are in our shareholders' best interests, including cost reduction measures. If we are unable to obtain adequate financing or engage in a strategic transaction on commercially reasonable terms or at all, we may be required to implement further cost reduction strategies which could significantly impact activities related to our commercial efforts and/or research and development of our future product candidates, and could significantly harm our business, financial condition and results of operations. In addition, these cost reduction strategies could cause us to further curtail our operations or take other actions that would adversely impact our shareholders.

We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws and other federal and state healthcare laws, and the failure to comply with such laws could result in substantial penalties. Our employees, independent contractors, consultants, principal investigators, CROs, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payers and customers, may expose us to broadly applicable federal, state and foreign fraud and abuse and other healthcare laws and regulations including anti-kickback and false claims laws, data privacy and security laws, and transparency reporting laws. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute any product for which we have obtained regulatory approval, or for which we obtain regulatory approval in the future. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws and regulations intended to prevent fraud, misconduct, bribery kickbacks, self-dealing and other abusive or inappropriate practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, including promoting off-label uses of our products, commission compensation, certain customer incentive programs, certain patient support offerings, and other business arrangements generally. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of patient recruitment for clinical trials, creating fraudulent data in our preclinical

studies or clinical trials or illegal misappropriation of drug product, which could result in regulatory sanctions and cause serious harm to our reputation. See "Part I, Item 1, Business – Government Regulation – Healthcare and Privacy Law and Regulation and Healthcare Reform" of our Annual Report on Form 10-K for the year ended December 31, 2021, for more information on the healthcare laws and regulations that may affect our ability to operate.

We are also exposed to the risk of fraud, misconduct or other illegal activity by our employees, independent contractors, consultants, principal investigators, CROs, commercial partners and vendors. Misconduct by these parties could include intentional, reckless and/or negligent conduct that fails to: comply with the laws of the FDA and other similar foreign regulatory bodies; provide true, complete and accurate information to the FDA and other similar foreign regulatory bodies; comply with manufacturing standards we have established; comply with federal and state data privacy, security, fraud and abuse and other healthcare laws and regulations in the US and similar foreign fraudulent misconduct laws; or report financial information or data accurately or to disclose unauthorized activities to us. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent inappropriate conduct 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 be in compliance with such laws or regulations.

We are also subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. Efforts to ensure that our business arrangements will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, disgorgement, monetary fines, imprisonment, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We are subject to stringent and evolving privacy and information security laws, regulations, rules, policies, and contractual obligations, and changes in such laws, regulations, rules, policies, contractual obligations and our actual or perceived failure to comply with such requirements could subject us to significant investigations, fines, penalties and claims, any of which may have a material adverse effect on our business, financial condition, results of operations or prospects.*

We are subject to, or affected by, various federal, state and foreign laws, rules, directives, and regulations, as well as regulatory guidance, policies and contractual obligations relating to privacy and information security, governing the acquisition, collection, access, use, disclosure, processing, modification, retention, storage, transfer, destruction, protection, and security (collectively, "processing") of personal information and other sensitive information about individuals. The global privacy and information security landscape is evolving rapidly, and implementation standards and enforcement practices are likely to continue to develop for the foreseeable future and may result in conflicting or inconsistent compliance obligations. Legislators and regulators are increasingly adopting or amending privacy and information security laws, rules, directives, and regulations that may create uncertainty in our business, affect our or our collaborators', service providers' and contractors' ability to operate in certain jurisdictions or to process personal information, transfer data internationally, necessitate the acceptance of more onerous obligations in our contracts, result in enforcement actions, litigation or other liability or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any failure or perceived failure by us or our collaborators, service providers and contractors to comply with federal, state or foreign laws or regulations, our internal policies and procedures or our contracts governing the processing of personal information could result in negative publicity, diversion of management time and effort and proceedings against us by governmental entities or others. In many jurisdictions, enforcement actions, litigation, and other consequences for noncompliance with privacy and information security laws and regulations are rising. Compliance with applicable privacy and information security laws and regulations, as well as regulatory guidance, policies and contractual obligations, is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms to ensure compliance with the new privacy and information security requirements. If we fail to comply with any such obligations, we may face significant

investigations, fines, penalties and claims that could materially and adversely affect our business, financial condition, results of operations, ability to process personal information and income from certain business initiatives.

In the US, these obligations include various federal, state, and local statutes, rules, and regulations relating to privacy and data security. The Federal Trade Commission (FTC) has authority under Section 5 of the FTC Act to regulate unfair or deceptive or practices, and has used this authority to initiate enforcement actions against companies that implement inadequate controls around privacy and information security in violation of their externally facing policies. The US federal government has also enacted statutes to address privacy and information security issues impacting particular industries or activities, including the following laws and regulations: the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the Health Insurance Portability and Accountability Act, the Health Information Technology for Economic and Clinical Health Act, the Telephone Consumer Protection Act, the CAN-SPAM Act, and other laws and regulations. In addition, state legislatures have enacted statutes to address privacy and information security issues, including the California Consumer Privacy Act of 2018(the CCPA), and similar state laws such as Virginia's Consumer Data Protection Act and the Colorado Privacy Act. For example, the CCPA establishes a privacy framework applicable to for-profit entities that are doing business in California, including an expansive definition of personal information and data privacy rights for California residents, and authorizes potentially severe statutory damages and creates a private right of action for certain data security breaches. The CCPA also requires businesses subject to the law to provide new disclosures to California residents and to provide them with expanded rights with respect to their personal information, including the right to opt out of the sale of such information. Although there are limited exemptions for clinical trial and other research-related data under the CCPA, the CCPA and other similar laws could impact our business depending on how it will be interpreted by the new California Privacy Protection Agency. As we expand our operations, the CCPA may increase our compliance costs and potential liability. In addition, California voters approved the California Privacy Rights Act of 2020 (CPRA), which goes into effect on January 1, 2023. The CPRA will, among other things, give California residents the ability to limit the use of their sensitive information, opt out of certain types of profiling and automated processing activities, provide for penalties for CPRA violations concerning California residents under the age of 16, and establish a new California Privacy Protection Agency to implement and enforce the law. Additionally, Colorado and Virginia both signed privacy legislation, each of which go into effect in 2023, and multiple other states and the federal government are considering enacting similar legislation. Many states also have in place data security laws requiring companies to maintain certain safeguards with respect to the processing of personal information, and all states require companies to notify individuals or government regulators in the event of a data breach impacting such information. New privacy laws add additional complexity, requirements, restrictions and potential legal risk. Accordingly, compliance programs may require additional investment in resources, and could impact availability of previously useful data.

Internationally, our operations abroad may also be subject to increased scrutiny or attention from foreign data protection authorities. For example, our clinical trial programs and research collaborations outside the US may implicate foreign data protection laws, including in the European Economic Area, Switzerland, and/or the UK (collectively, Europe). Many jurisdictions have established or are in the process of establishing privacy and data security legal frameworks with which we, our collaborators, service providers, including our CROs, and contractors must comply. For example, European data protection laws, including, without limitation, the General Data Protection Regulation (the EU GDPR), impose strict requirements for processing personal information (i.e., data which identifies an individual or from which an individual is identifiable), including clinical trial data and grant individuals' various data protection rights (e.g., the right to erasure of personal information). In turn, the EU GDPR and similar laws increase our obligations with respect to clinical trials conducted in Europe by expanding the definition of personal information to also include coded data and requiring (i) changes to informed consent practices and more detailed notices for clinical trial participants and investigators; (ii) consideration of data protection as any new products or services are developed, including to limit the amount of personal information processed; and (iii) implementation of appropriate technical and organizational measures to safeguard personal information and to report certain personal data breaches to the relevant supervisory authority without undue delay (for the EU GDPR no later than 72 hours where feasible). In the event of non-compliance, the EU GDPR provides for robust regulatory enforcement and fines of up to €20 million or 4% of the annual global revenue, whichever is greater. In addition, the EU GDPR confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies and obtain compensation for damages resulting from violations of the EU GDPR.

European data protection laws, including the EU GDPR, generally also prohibit the transfer of personal information from Europe to the US and most other countries that are not recognized as having "adequate" data

protection laws unless the parties to the transfer have implemented specific safeguards to protect the transferred personal information. One of the primary safeguards allowing US companies to import personal information from Europe has been certification to the EU-US Privacy Shield and Swiss-US Privacy Shield frameworks administered by the US Department of Commerce. However, the Court of Justice of the European Union (CJEU) issued a decision in July 2020 invalidating the EU-US Privacy Shield framework as a data transfer mechanism (*Schrems II*) and imposing further restrictions on the use of standard contractual clauses (SCCs), including a requirement for companies to carry out a transfer privacy impact assessment, which, among other things, assesses laws governing access to personal information in the recipient country and considers whether supplementary measures that provide privacy protections additional to those provided under the SCCs will need to be implemented to ensure an essentially equivalent level of data protection to that afforded in Europe. Following that decision, the Swiss Federal Data Protection and Information Commissioner (FDPIC) took a similar view and considered that data transfers based on the Swiss-US Privacy Shield framework are no longer lawful (despite the fact that *Schrems II* is not directly applicable in Switzerland (unless the Swiss based company is subject to the EU GDPR) and the Swiss-US Privacy Shield has not been officially invalidated). Further, the European Commission published new EU SCCs in June 2022, which place onerous obligations on the contracting parties. At present, there are few, if any, viable alternatives to the SCCs. However, on October 7, 2022, the US President introduced an Executive Order to facilitate a new Trans-Atlantic Data Privacy Framework which will act as a successor to the invalidated Privacy Shield. If approved by the European Commission and implemented, the agreement will facilitate the transatlantic flow of personal data and provide an alternative data transfer mechanism (in addition to EU SCCs and Binding Corporate Rules) for companies transferring personal data from the EU to the US. However, before parties rely on the new framework, there are still legislative and regulatory steps that must be undertaken both in the US and in the EU. As such, any transfers by us or our third-party vendors, collaborators or others of personal information from Europe to the US or elsewhere may not comply with European data protection laws, may increase our exposure to European data protection laws' heightened sanctions for cross-border data transfer restrictions may restrict our clinical trial activities in Europe and may limit our ability to collaborate with CROs, service providers, contractors and other companies subject to European data protection laws. Loss of our ability to transfer personal information from Europe may also require us to increase our data processing capabilities in those jurisdictions at significant expense.

Following the UK's departure from the EU (Brexit), the EU GDPR's data protection obligations continue to apply to the UK in substantially unvaried form under the so-called "UK GDPR" (i.e., the EU GDPR as it continues to form part of law in the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018, as amended (including by the various Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations)). The UK GDPR exists alongside the UK Data Protection Act 2018 that implements certain derogations in the UK GDPR into UK law. Under the UK GDPR, companies not established in the UK but that process personal information either in relation to the offering of goods or services to individuals in the UK, or to monitor their behavior will be subject to the UK GDPR, the requirements of which are (at this time) largely aligned with those under the EU GDPR, and as such, may lead to similar compliance and operational costs with potential fines of up to £17.5 million or 4% of global turnover. As a result, we are potentially exposed to two parallel data protection regimes, each of which authorizes fines and the potential for divergent enforcement actions. It should also be noted that the UK Government published its own form of EU SCCs, known as the International Data Transfer Agreement (IDTA) and International Data Transfer Addendum (UK Addendum) to the new EU SCCs. The UK Information Commissioner's Office (ICO) may also publish its version of the transfer impact assessment and revised guidance on international transfers, though it is unclear when this may take place. In terms of international data transfers between the UK and US, it is understood that the UK and the US are negotiating an adequacy agreement.

Additionally, other countries outside of Europe have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency, with strict requirements and limitations for processing personal information, which could increase the cost and complexity of delivering our services and operating our business. For example, Brazil enacted the General Data Protection Law, New Zealand enacted the New Zealand Privacy Act, China released its Personal Information Protection Law, which went into effect November 1, 2021, and Canada introduced the Digital Charter Implementation Act. As with the EU GDPR, these laws are broad and may increase our compliance burdens, including by mandating potentially burdensome documentation requirements and granting certain rights to individuals to control how we collect, use, disclose, retain, and process personal information about them.

We publish privacy policies and other documentation regarding our collection, processing, use and disclosure of personal information and/or other confidential information. Although we endeavor to comply with our published policies and other documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover,

despite our efforts, we may not be successful in achieving compliance if our employees, collaborators, contractors, service providers or vendors fail to act in accordance with our published policies and documentation. Such failures can subject us to potential foreign, local, state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Moreover, trial participants or research subjects about whom we or our partners obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose the information or exercise their right to do so under applicable privacy legislation. Claims that we have violated individuals' privacy rights or failed to comply with data protection laws or applicable privacy policies and documentation, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

In addition to data privacy requirements, many jurisdictions impose mandatory clinical trial information obligations on sponsors. In the EU, such obligations arise under the Transparency Regulation No 1049/ 2001, EMA Policy 0043, EMA Policy 0070 and the Clinical Trials Regulation No 536/2014, all of which impose on sponsors the obligation to make publicly available certain information stemming from clinical studies. In the EU, the transparency framework provides EU-based parties the right to submit an access to documents request to the EMA for information included in the marketing authorization application dossier for approved medicinal products. Only very limited information is exempted from disclosure, i.e. commercially confidential information (which is construed increasingly narrowly) and protected personal data. It is possible for competitors to access and use this data in their own research and development programs anywhere in the world, once this data is in the public domain.

Enhanced governmental and public scrutiny over, or investigations or litigation involving, pharmaceutical manufacturer donations to patient assistance programs may require us to modify our programs and could negatively impact our business practices, harm our reputation, divert the attention of management and increase our expenses.*

To help patients afford our products, we have a manufacturer-sponsored patient assistance program that helps financially needy patients. This type of program has become the subject of enforcement scrutiny in recent years. For example, some pharmaceutical manufacturers have been named in class action lawsuits challenging the legality of their patient assistance programs under a variety of federal and state laws. In addition, certain state and federal enforcement authorities have pursued investigations and settlements and members of Congress have initiated inquiries about manufacturer-sponsored patient support programs, including, for example, manufacturer-sponsored patient assistance programs, co-payment assistance programs, and manufacturer contributions to independent charitable patient assistance programs. Moreover, the Department of Health and Human Services, Office of the Inspector General recently published an advisory opinion (OIG Ad Op. No. 22-19) that, while binding only on the requestor of the opinion, reflects the government's continued scrutiny of manufacturer financial contributions to patient assistance programs conducted through third parties, including charitable organizations. Numerous organizations, including pharmaceutical manufacturers, have been subject to ongoing litigation, enforcement activities and settlements related to their patient support programs and certain of these organizations have entered into, or have otherwise agreed to, significant civil settlements with applicable enforcement authorities. It is possible that future legislation may be proposed that would establish requirements or restrictions with respect to these programs and/or support that would affect pharmaceutical manufacturers.

Our patient assistance program could become the target of similar inquiries, litigation, enforcement, and/or legislative proposals. If we are deemed not to have complied with laws or regulations in the operation of, or our interactions with, these programs, we could be subject to damages, fines, penalties or other criminal, civil or administrative sanctions or enforcement actions. We cannot ensure that our compliance controls, policies and procedures will be sufficient to protect against acts of our employees, business partners or vendors that may violate the laws or regulations of the jurisdictions in which we operate. A government investigation could negatively impact our business practices, harm our reputation, divert the attention of management and increase our expenses.

If manufacturers obtain approval for generic versions of TAVALISSE, or of products with which we compete, our business may be harmed.*

Under the FDCA, the FDA can approve an ANDA for a generic version of a branded drug without the ANDA applicant undertaking the clinical testing necessary to obtain approval to market a new drug. Generally, in place of such clinical studies, an ANDA applicant usually needs only to submit data demonstrating that its product has the same active ingredient(s), strength, dosage form and route of administration and that it is bioequivalent to the branded product. In September 2019, the FDA published product-specific bioequivalence guidance on fostamatinib disodium to let potential ANDA applicants understand the data FDA would expect to see for approval of a generic version of TAVALISSE.

The FDCA requires that an applicant for approval of a generic form of a branded drug certify either that its generic product does not infringe any of the patents listed by the owner of the branded drug in the Orange Book or that those patents are not enforceable. This process is known as a paragraph IV challenge. Upon notice of a paragraph IV challenge, a patent owner has 45 days to bring a patent infringement suit in federal district court against the company seeking ANDA approval of a product covered by one of the owner's patents. If this type of suit is commenced, the FDCA provides a 30-month stay on the FDA's approval of the competitor's application. If the litigation is resolved in favor of the ANDA applicant or the challenged patent expires during the 30-month stay period, the stay is lifted, and the FDA may thereafter approve the application based on the standards for approval of ANDAs. Once an ANDA is approved by the FDA, the generic manufacturer may market and sell the generic form of the branded drug in competition with the branded medicine.

The ANDA process can result in generic competition if the patents at issue are not upheld or if the generic competitor is found not to infringe the owner's patents. If this were to occur with respect to TAVALISSE or products with which it competes, our business would be harmed. We have a number of patents listed in the Orange Book, the last of which is expected to expire in July 2032.

In June 2022, we received a notice letter regarding an ANDA submitted to the FDA by Annora, requesting approval to market a generic version of TAVALISSE. The notice letter included a Paragraph IV certification with respect to our US Patent Nos. 7,449,458; 8,263,122; 8,652,492; 8,771,648 and 8,951,504, which are listed in the Orange Book. The notice letter asserts that these patents will not be infringed by Annora's proposed product, are invalid and/or are unenforceable. Annora's notice letter does not provide a Paragraph IV certification against our other patents listed in the Orange Book. On July 25, 2022, we filed a lawsuit in the US District Court for the District of New Jersey against Annora and its affiliates, Hetero Labs Ltd., and Hetero USA, Inc., for infringement of our US patents identified in Annora's Paragraph IV certification. On September 21, 2022, Annora and its affiliates answered and counterclaimed for declaratory judgment of non-infringement and invalidity of the '458, '122, '492, '648, and '504 patents. We filed an answer to Annora's counterclaims on October 12, 2022. We intend to vigorously enforce and defend our intellectual property related to TAVALISSE. We cannot assure you that such lawsuit will prevent the introduction of a generic version of TAVALISSE for any particular length of time, or at all. If an ANDA from Annora or any other generic manufacturer is approved, and a generic version of TAVALISSE is introduced, whether following the expiration of our patents, the invalidation of our patents as a result of any litigation, or the determination that the proposed generic product does not infringe on our patents, our sales of TAVALISSE would be adversely affected. In addition, we cannot predict what additional ANDAs could be filed by Annora or other potential generic competitors requesting approval to market generic forms of fostamatinib, which would require us to incur significant additional expense and result in distraction for our management team, and if approved, result in significant decreases in the revenue derived from sales of our marketed products and thereby materially harm our business and financial condition.

Unforeseen safety issues could emerge with TAVALISSE that could require us to change the prescribing information to add warnings, limit use of the product, and/or result in litigation. Any of these events could have a negative impact on our business.

Discovery of unforeseen safety problems or increased focus on a known problem could impact our ability to commercialize TAVALISSE and could result in restrictions on its permissible uses, including withdrawal of the medicine from the market.

If we or others identify additional undesirable side effects caused by TAVALISSE after approval:

- regulatory authorities may require the addition of labeling statements, specific warnings, contraindications, or field alerts to physicians and pharmacies;
- regulatory authorities may withdraw their approval of the product and require us to take our approved drugs off the market;
- we may be required to change the way the product is administered, conduct additional clinical trials, change the labeling of the product, or implement a Risk Evaluation and Mitigation Strategy, or REMS;
- we may have limitations on how we promote our drugs;
- third-party payers may limit coverage or reimbursement for TAVALISSE;
- sales of TAVALISSE may decrease significantly;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of TAVALISSE and could substantially increase our operating costs and expenses, which in turn could delay or prevent us from generating significant revenue from sale of TAVALISSE.

If a safety issue emerges post-approval, we may become subject to costly product liability litigation by our customers, their patients or payers. Product liability claims could divert management's attention from our core business, be expensive to defend, and result in sizable damage awards against us that may not be covered by insurance. If we cannot successfully defend ourselves against claims that TAVALISSE caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop;
- the inability to commercialize any products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of patients from clinical studies or cancellation of studies;
- significant costs to defend the related litigation;
- substantial monetary awards to patients; and
- loss of revenue.

We currently hold $10.0 million in product liability insurance coverage, which may not be adequate to cover all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to obtain insurance coverage at a reasonable cost or in amounts adequate to satisfy any liability or associated costs that may arise in the future. These events could harm our business and results of operations and cause our stock price to decline.

If we fail to comply with our reporting and payment obligations under the Medicaid Drug Rebate Program or other governmental pricing programs in the US, we could be subject to additional rebate or discount requirements, fines, sanctions and exposure under other laws which could have an adverse effect on our business, results of operations and financial condition.

We participate in the Medicaid Drug Rebate Program, as administered by the Centers for Medicare and Medicaid Services (CMS), the 340B Drug Pricing Program, and other federal and state government drug pricing programs in the US, and we may participate in additional government pricing programs in the future. These programs generally require us to pay rebates or otherwise provide discounts to government payers in connection with drugs that are dispensed to beneficiaries/recipients of these programs. In some cases, such as with the Medicaid Drug Rebate

Program, the rebates are based on pricing metrics that we report on a monthly and quarterly basis to the government agencies that administer the programs. Pricing requirements and rebate/discount calculations are complex, vary among products and programs, and are often subject to interpretation by governmental or regulatory agencies and the courts. The requirements of these programs, including, by way of example, their respective terms and scope, change frequently. Responding to current and future changes may increase our costs, and the complexity of compliance will be time consuming. Invoicing for rebates is provided in arrears, and there is frequently a time lag of up to several months between the sales to which rebate notices relate and our receipt of those notices, which further complicates our ability to accurately estimate and accrue for rebates related to the Medicaid program as implemented by individual states. Thus, there can be no assurance that we will be able to identify all factors that may cause our discount and rebate payment obligations to vary from period to period, and our actual results may differ significantly from our estimated allowances for discounts and rebates. Changes in estimates and assumptions may have an adverse effect on our business, results of operations and financial condition.

In addition, the Office of Inspector General of HHS and other Congressional enforcement and administrative bodies have recently increased their focus on pricing requirements for products, including, but not limited to the methodologies used by manufacturers to calculate average manufacturer price (AMP) and best price (BP) for compliance with reporting requirements under the Medicaid Drug Rebate Program. We are liable for errors associated with our submission of pricing data and for any overcharging of government payers. Failure to make necessary disclosures and/or to identify overpayments could result in allegations against us under the federal False Claims Act and other laws and regulations. Any required refunds to the US government or response to a government investigation or enforcement action would be expensive and time consuming and could have an adverse effect on our business, results of operations and financial condition. In addition, in the event that CMS were to terminate our rebate agreement, no federal payments would be available under Medicaid for our covered outpatient drugs or under Medicare Part B for any of our products that may be reimbursed under Part B.

Even for those product candidates that have or may receive regulatory approval, they may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary for commercial success, in which case we may not generate significant revenues or become profitable.

For our product candidates that have or may receive regulatory approval, they may nonetheless fail to gain sufficient market acceptance by physicians, hospital administrators, patients, healthcare payors and others in the medical community. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including the following:

- relative convenience and ease of administration;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the willingness of physicians to change their current treatment practices;
- the willingness of hospitals and hospital systems to include our product candidates as treatment options;
- demonstration of efficacy and safety in clinical trials;
- the prevalence and severity of any side effects;
- the ability to offer product candidates for sale at competitive prices;
- the price we charge for our product candidates;
- the strength of marketing and distribution support; and
- the availability of third-party coverage and adequate reimbursement and the willingness of patients to pay out-of-pocket in the absence of such coverage and adequate reimbursement.

Efforts to educate the physicians, patients, healthcare payors and others in the medical community on the

benefits of our product candidates may require significant resources and may not be successful. If any of our product candidates are approved, if at all, but do not achieve an adequate level of acceptance, we may not generate significant product revenue and we may not become profitable on a sustained basis.

We will need additional capital in the future to sufficiently fund our operations and research.

We have consumed substantial amounts of capital to date as we continue our research and development activities, including preclinical studies and clinical trials and for the commercial launch of TAVALISSE. We may seek another collaborator or licensee in the future for further clinical development and commercialization of fostamatinib, as well as our other clinical programs, which we may not be able to obtain on commercially reasonable terms or at all. We believe that our existing capital resources will be sufficient to support our current and projected funding requirements, including the continued commercialization of TAVALISSE in the US as well as the potential commercial launch of olutasidenib, through at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with commercial launch, the development of our product candidates and other research and development activities, we are unable to estimate with certainty our future product revenues, our revenues from our current and future collaborative partners, the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials and other research and development activities.

We will continue to need additional capital and the amount of future capital needed will depend largely on the success of our commercial launch of TAVALISSE and the success of our internally developed programs as they proceed in later and more expensive clinical trials, including any additional clinical trials that we may decide to conduct with respect to fostamatinib. While we intend to opportunistically seek access to additional funds through public or private equity offerings or debt financings, we do not know whether additional financing will be available when needed, or that, if available, we will obtain financing on reasonable terms. Our ability to raise additional capital, including our ability to secure new collaborations and continue to support existing collaboration efforts with our partners, may also be adversely impacted by potential worsening global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the US and worldwide resulting from the ongoing COVID-19 pandemic and the conflict in the Ukraine. Unless and until we are able to generate a sufficient amount of product, royalty or milestone revenue, which may never occur, we expect to finance future cash needs through public and/or private offerings of equity securities, debt financings or collaboration and licensing arrangements, as well as through proceeds from the exercise of stock options and interest income earned on the investment of our cash balances and short-term investments. To the extent we raise additional capital by issuing equity securities in the future, our stockholders could at that time experience substantial dilution. In addition, we have a significant number of stock options outstanding. To the extent that outstanding stock options have been or may be exercised or other shares issued, our stockholders may experience further dilution. Further, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Our credit facility with MidCap includes certain covenants that may restrict our business, and any other debt financing that we are able to obtain in the future may involve operating covenants that restrict our business. To the extent that we raise additional funds through any new collaboration and licensing arrangements, we may be required to refund certain payments made to us, relinquish some rights to our technologies or product candidates or grant licenses on terms that are not favorable to us.

We have indebtedness in the form of a term loan pursuant to the Credit Agreement (as defined below) with MidCap, which could adversely affect our financial condition and our ability to respond to changes in our business. Further, if we are unable to satisfy certain conditions of the Credit Agreement, we will be unable to draw down the remainder of the facility.*

We entered into the Credit Agreement with MidCap on September 27, 2019 (Closing Date) and amended the Credit Agreement on March 29, 2021 (First Amendment), February 11, 2022 (Second Amendment) and July 27, 2022 (Third Amendment). Under the Credit Agreement, we are required to repay amounts due when there is an event of default for the term loans that results in the principal, premium, if any, and interest, if any, becoming due prior to the maturity date for the term loans. The Credit Agreement also contains a number of other affirmative and restrictive covenants. See “Note 9 – Debt” to our “Notes to Condensed Financial Statements” contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details of the Credit Agreement. These and other terms in the Credit Agreement have to be monitored closely for compliance and could restrict our ability to grow our business or enter into transactions that we believe would be beneficial to our business. Our business may not generate cash flow from operations in the future sufficient to service our debt and support our growth strategies. If we are unable to generate such

cash flow, we may be required to adopt one or more alternatives, such as restructuring our debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our current debt obligations. In addition, we cannot be sure that additional financing will be available when required or, if available, will be on terms satisfactory to us. Further, even if we are able to obtain additional financing, we may be required to use such proceeds to repay a portion of our debt.

Our indebtedness may have other adverse effects, such as:

- our vulnerability to adverse general economic conditions and heightened competitive pressures;
- dedication of a portion of our cash flow from operations to interest payments, limiting the availability of cash for other operational purposes;
- limited flexibility in planning for, or reacting to, changes in our business and industry; and
- our inability to obtain additional financing in the future.

Our Credit Agreement with MidCap contains a mandatory prepayment provision that gives MidCap and/or its agent the right to demand payment of the outstanding principal and additional interest and fees in the event of default. We may not have enough available cash or be able to obtain financing at the time we are required to repay the term loan with additional interest and fees prior to maturity.

The Credit Agreement provides for a $60.0 million term loan credit facility. At the Closing Date, $10.0 million was funded (Tranche 1), in May 2020, an additional $10.0 million was funded (Tranche 2), in February 2022, an additional $10.0 million was funded (Tranche 3), and in July 2022, an additional $10.0 million was funded (Tranche 4). To date, the Credit Agreement gives us the ability to access the following available credit facilities, an additional $20.0 million term aggregate principal amount of term loan facility subject to the satisfaction of applicable funding conditions which include minimum net revenue and compliance with financial covenants set forth in the Credit Agreement. If we are unable to satisfy these or other required conditions, we would not be able to draw down the remaining tranches of financing and may not be able to obtain alternative financing on commercially reasonable terms or at all, which could adversely impact our business.

We rely and may continue to rely on two distribution facilities for the sale of TAVALISSE and potential sale of any of our product candidates.

Our distribution operations for the sale of TAVALISSE is currently concentrated in two distribution centers owned by a third-party logistics provider. Additionally, our distribution operations, if and when we launch any of our product candidates in the future, may also be concentrated in such distribution centers owned by a third-party logistics provider. Any errors in inventory level management and unforeseen inventory shortage could adversely affect our business. In addition, any significant disruption in the operation of the facility due to natural disaster or severe weather, or events such as fire, accidents, power outages, system failures, or other unforeseen causes, could devalue or damage a significant portion of our inventories and could adversely affect our product distribution and sales until such time as we could secure an alternative facility. If we encounter difficulties with any of our distribution facilities, whether due to the impacts of the ongoing COVID-19 pandemic (including as a result of disruptions of global shipping and the transport of products) or otherwise, or other problems or disasters arise, we cannot ensure that critical systems and operations will be restored in a timely manner or at all, and this would have an adverse effect on our business. In addition, growth could require us to further expand our current facility, which could affect us adversely in ways that we cannot predict.

Forecasting potential sales for any of our product candidates will be difficult, and if our projections are inaccurate, our business may be harmed, and our stock price may be adversely affected.

Our business planning requires us to forecast or make assumptions regarding product demand and revenues for any of our product candidates if they are approved despite numerous uncertainties. These uncertainties may be increased if we rely on our collaborators or other third parties to conduct commercial activities in certain geographies and provide us with accurate and timely information. Actual results may differ materially from projected results for various reasons, including the following, as well as risks identified in other risk factors:

- the efficacy and safety of any of our product candidates, including as relative to marketed products and product candidates in development by third parties;
- pricing (including discounting or other promotions), reimbursement, product returns or recalls, competition, labeling, adverse events and other items that impact commercialization;
- the rate of adoption in the particular market, including fluctuations in demand for various reasons;
- impacts due to the ongoing COVID-19 pandemic;
- lack of patient and physician familiarity with the drug;
- lack of patient use and physician prescribing history;
- lack of commercialization experience with the drug;
- actual sales to patients may significantly differ from expectations based on sales to wholesalers; and
- uncertainty relating to when the drug may become commercially available to patients and rate of adoption in other territories.

We expect that our revenues from sales of any of our product candidates will continue to be based in part on estimates, judgment and accounting policies. Any incorrect estimates or disagreements with regulators or others regarding such estimates or accounting policies may result in changes to our guidance, projections or previously reported results. Expected and actual product sales and quarterly and other results may greatly fluctuate, including in the near-term, and such fluctuations can adversely affect the price of our common stock, perceptions of our ability to forecast demand and revenues, and our ability to maintain and fund our operations.

We do not and will not have access to all information regarding fostamatinib and product candidates we licensed to Lilly, Kissei, Grifols, Medison and Knight.*

We do not and will not have access to all information regarding fostamatinib and other product candidates, including potentially material information about commercialization plans, medical information strategies, clinical trial design and execution, safety reports from clinical trials, safety reports, regulatory affairs, process development, manufacturing and other areas known by Lilly, Kissei, Grifols, Medison and Knight. In addition, we have confidentiality obligations under our respective agreements with Lilly, Kissei, Grifols, Medison and Knight. Thus, our ability to keep our shareholders informed about the status of fostamatinib and other product candidates will be limited by the degree to which Lilly, Kissei, Grifols, Medison and/or Knight keep us informed and allows us to disclose such information to the public. If Lilly, Kissei, Grifols, Medison and/or Knight fail to keep us informed about commercialization efforts related to fostamatinib, or the status of the clinical development or regulatory approval pathway of other product candidates licensed to them, we may make operational and/or investment decisions that we would not have made had we been fully informed, which may adversely affect our business and operations.

Our future funding requirements will depend on many uncertain factors.

Our future funding requirements will depend upon many factors, many of which are beyond our control, including, but not limited to:

- the costs to commercialize fostamatinib for the treatment of ITP in the US, or any other future product

candidates, if any such candidate receives regulatory approval for commercial sale;

- the progress and success of our clinical trials and preclinical activities (including studies and manufacture of materials) of our product candidates conducted by us;
- any current and future impacts of the ongoing and evolving COVID-19 pandemic;
- the costs and timing of regulatory filings and approvals by us and our collaborators;
- the progress of research and development programs carried out by us and our collaborative partners;
- any changes in the breadth of our research and development programs;
- the ability to achieve the events identified in our collaborative agreements that may trigger payments to us from our collaboration partners;
- our ability to acquire or license other technologies or compounds that we may seek to pursue;
- our ability to manage our growth;
- competing technological and market developments;
- the costs and timing of obtaining, enforcing and defending our patent and other intellectual property rights; and
- expenses associated with any unforeseen litigation, including any arbitration and securities class action lawsuits.

Insufficient funds may require us to delay, scale back or eliminate some or all of our commercial efforts and/or research and development programs, to reduce personnel and operating expenses, to lose rights under existing licenses or to relinquish greater or all rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose or may adversely affect our ability to operate as a going concern.

Our success as a company is uncertain due to our history of operating losses and the uncertainty of any future profitability.*

For the nine months ended September 30, 2022, we recognized loss from operations of $57.6 million primarily due to higher operating and non-operating expenses, partly offset by our net product sales and collaboration revenues. We have historically incurred losses from operations each year since we were incorporated in June 1996 other than in fiscal year 2010, due in large part to the significant research and development expenditures required to identify and validate new product candidates and pursue our development efforts, and the costs of our ongoing commercial efforts for TAVALISSE. We expect to continue to incur losses from operations, at least in the next 12 months, and there can be no assurance that we will generate annual operating income in the foreseeable future. Currently, our potential sources of revenues are our sales of TAVALISSE, upfront payments, research and development contingent payments and royalty payments pursuant to our collaboration arrangements, which may never materialize if our collaborators do not achieve certain events or generate net sales to which these contingent payments are dependent on. If our future drug candidates fail or do not gain regulatory approval, or if our drugs do not achieve sustainable market acceptance, we may not be profitable. As of September 30, 2022, we had an accumulated deficit of approximately $1.4 billion. The extent of our future losses or profitability, if any, especially due to the ongoing COVID-19 pandemic, is highly uncertain.

If our corporate collaborations or license agreements are unsuccessful, or if we fail to form new corporate collaborations or license agreements, our research and development efforts could be delayed.

Our strategy depends upon the formation and sustainability of multiple collaborative arrangements and license agreements with third parties now and in the future. We rely on these arrangements for not only financial resources, but also for expertise we need now and in the future relating to clinical trials, manufacturing, sales and marketing, and for licenses to technology rights. To date, we have entered into several such arrangements with corporate collaborators; however, we do not know if these collaborations or additional collaborations with third parties, if any, will dedicate sufficient resources or if any development or commercialization efforts by third parties will be successful. In addition, our corporate collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a drug candidate or development program. Should a collaborative partner fail to develop or commercialize a compound or product to which it has rights from us for any reason, including corporate restructuring, such failure might delay our ongoing research and development efforts, because we might not receive any future payments, and we would not receive any royalties associated with such compound or product. We may seek another collaborator or licensee in the future for clinical development and commercialization of fostamatinib, as well as our other clinical programs, which we may not be able to obtain on commercially reasonable terms or at all. If we are unable to form new collaborations or enter into new license agreements, our research and development efforts could be delayed. In addition, the continuation of some of our partnered drug discovery and development programs may be dependent on the periodic renewal of our corporate collaborations.

Each of our collaborations could be terminated by the other party at any time, and we may not be able to renew these collaborations on acceptable terms, if at all, or negotiate additional corporate collaborations on acceptable terms, if at all. If these collaborations terminate or are not renewed, any resultant loss of revenues from these collaborations or loss of the resources and expertise of our collaborative partners could adversely affect our business.

Conflicts also might arise with collaborative partners concerning proprietary rights to particular compounds. While our existing collaborative agreements typically provide that we retain milestone payments, royalty rights and/or revenue sharing with respect to drugs developed from certain compounds or derivative compounds, any such payments or royalty rights may be at reduced rates, and disputes may arise over the application of payment provisions or derivative payment provisions to such drugs, and we may not be successful in such disputes. For example, in September 2018, BerGenBio served us with a notice of arbitration seeking declaratory relief related to the interpretation of provisions under our June 2011 license agreement, particularly as they relate to the rights and obligations of the parties in the event of the license or sale of a product in the program by BerGenBio and/or the sale of BerGenBio to a third party. The arbitration panel dismissed four of the six declarations sought by BerGenBio, and we thereafter consented to one of the remaining declarations requested by BerGenBio. On February 27, 2019, the arbitration panel issued a determination granting the declaration sought by BerGenBio on the remaining issue, and held that in the event of a sale of shares by BerGenBio's shareholders where there is no monetary benefit to BerGenBio, we would not be entitled to a portion of the proceeds from such a sale. In this circumstance where the revenue share provision is not triggered, the milestone and royalty payment provisions remain in effect. While we do not believe that the determination will have an adverse effect on our operations, cash flows or financial condition, we can make no assurance regarding any such impact. Additionally, the management teams of our collaborators may change for various reasons including due to being acquired. Different management teams or an acquiring company of our collaborators may have different priorities which may have adverse results on the collaboration with us.

We are also a party to various license agreements that give us rights to use specified technologies in our research and development processes. The agreements pursuant to which we have in-licensed technology permit our licensors to terminate the agreements under certain circumstances. If we are not able to continue to license these and future technologies on commercially reasonable terms, our product development and research may be delayed or otherwise adversely affected.

If conflicts arise between our collaborators or advisors and us, any of them may act in their self-interest, which may be adverse to our stockholders' interests.

If conflicts arise between us and our corporate collaborators or scientific advisors, the other party may act in its self-interest and not in the interest of our stockholders. Some of our corporate collaborators are conducting multiple product development efforts within each disease area that is the subject of the collaboration with us or may be acquired or merged with a company having a competing program. In some of our collaborations, we have agreed not to conduct, independently or with any third party, any research that is competitive with the research conducted under our collaborations. Our collaborators, however, may develop, either alone or with others, products in related fields that are competitive with the products or potential products that are the subject of these collaborations. Competing products, either developed by our collaborators or to which our collaborators have rights, may result in their withdrawal of support for our product candidates.

If any of our corporate collaborators were to breach or terminate its agreement with us or otherwise fail to conduct the collaborative activities successfully and in a timely manner, the preclinical or clinical development or commercialization of the affected product candidates or research programs could be delayed or terminated. We generally do not control the amount and timing of resources that our corporate collaborators devote to our programs or potential products. We do not know whether current or future collaborative partners, if any, might pursue alternative technologies or develop alternative products either on their own or in collaboration with others, including our competitors, as a means for developing treatments for the diseases targeted by collaborative arrangements with us.

Our success is dependent on intellectual property rights held by us and third parties, and our interest in such rights is complex and uncertain.*

Our success will depend to a large part on our own, our licensees' and our licensors' ability to obtain and defend patents for each party's respective technologies and the compounds and other products, if any, resulting from the application of such technologies. For example, fostamatinib is covered as a composition of matter in a US issued patent that has an expected expiration date of September 2031, after taking into account patent term adjustment and extension rules.

In the future, our patent position might be highly uncertain and involve complex legal and factual questions. For example, we may be involved in post-grant proceedings before the US Patent and Trademark Office. Post-grant proceedings are complex and expensive legal proceedings and there is no assurance we will be successful in any such proceedings. A post-grant proceeding could result in our losing our patent rights and/or our freedom to operate and/or require us to pay significant royalties. Additionally, third parties may challenge the validity, enforceability or scope of our issued patents, which may result in such patents being narrowed, invalidated or held unenforceable through interference, opposition or invalidity proceedings before the US Patent and Trademark Office or non-US patent offices. Any successful opposition to our patents could deprive us of exclusive rights necessary for the successful commercialization of fostamatinib or our other product candidates. Oppositions could also be filed to complementary patents, such as formulations, methods of manufacture and methods of use, that are intended to extend the patent life of the overall portfolio beyond the patent life covering the composition of matter. A successful opposition to any such complementary patent could impact our ability to extend the life of the overall portfolio beyond that of the related composition of matter patent.

An adverse outcome may allow third parties to use our intellectual property without a license and/or allow third parties to introduce generic and other competing products, any of which would negatively impact our business. For example, in June 2022, we received a notice letter from Annora advising that it has filed an ANDA with the FDA for a generic version of TAVALISSE and asserting that certain patents related to TAVALISSE that are listed in the Orange Book will not be infringed by Annora's proposed product, are invalid and/or are unenforceable. In July 2022, we filed a lawsuit in the US District Court for the District of New Jersey against Annora and its subsidiaries for infringement of those US patents. In September 2022, Annora and its subsidiaries answered and counterclaimed for declaratory judgment of non-infringement and invalidity of those patents. We intend to vigorously enforce and defend our intellectual property rights related to TAVALISSE. Should Annora or any other third parties receive FDA approval of an ANDA for a generic version of fostamatinib or a 505(b)(2) NDA with respect to fostamatinib, and if our patents covering fostamatinib were held to be invalid (or if such competing generic versions of fostamatinib were found to not infringe our patents), then they could introduce generic versions of fostamatinib or other such 505(b)(2) products before our patents expire, and the resulting competition would negatively affect our business, financial condition and results of

operations. Please also see the risk factor entitled, "If manufacturers obtain approval for generic versions of TAVALISSE, or of products with which we compete, our business may be harmed."

Additional uncertainty may result because no consistent policy regarding the breadth of legal claims allowed in biotechnology patents has emerged to date. Accordingly, we cannot predict the breadth of claims allowed in our or other companies' patents.

Because the degree of future protection for our proprietary rights is uncertain, we cannot assure you that:

- we were the first to make the inventions covered by each of our pending patent applications;
- we were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any of our pending patent applications will result in issued patents;
- any patents issued to us or our collaborators will provide a basis for commercially viable products or will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies that are patentable;
- we will obtain a supplemental protection certificate that will extend the protection afforded by the patent to the product with a marketing authorization; or
- the patents of others will not have a negative effect on our ability to do business.

We rely on trade secrets to protect technology where we believe patent protection is not appropriate or obtainable; however, trade secrets are difficult to protect. While we require employees, collaborators and consultants to enter into confidentiality agreements, we may not be able to adequately protect our trade secrets or other proprietary information in the event of any unauthorized use or disclosure or the lawful development by others of such information.

We are a party to certain in-license agreements that are important to our business, and we generally do not control the prosecution of in-licensed technology. Accordingly, we are unable to exercise the same degree of control over this intellectual property as we exercise over our internally developed technology. Moreover, some of our academic institution licensors, research collaborators and scientific advisors have rights to publish data and information in which we have rights. If we cannot maintain the confidentiality of our technology and other confidential information in connection with our collaborations, our ability to receive patent protection or protect our proprietary information may otherwise be impaired. In addition, some of the technology we have licensed relies on patented inventions developed using US government resources.

The US government retains certain rights, as defined by law, in such patents, and may choose to exercise such rights. Certain of our in-licenses may be terminated if we fail to meet specified obligations. If we fail to meet such obligations and any of our licensors exercise their termination rights, we could lose our rights under those agreements. If we lose any of our rights, it may adversely affect the way we conduct our business. In addition, because certain of our licenses are sublicenses, the actions of our licensors may affect our rights under those licenses.

If a dispute arises regarding the infringement or misappropriation of the proprietary rights of others, such dispute could be costly and result in delays in our research and development activities and partnering.

Our success will depend, in part, on our ability to operate without infringing or misappropriating the proprietary rights of others. There are many issued patents and patent applications filed by third parties relating to products or processes that are similar or identical to our licensors or ours, and others may be filed in the future. There may also be copyrights or trademarks that third parties hold. There can be no assurance that our activities, or those of our licensors, will not violate intellectual property rights of others. We believe that there may be significant litigation in the industry regarding patent and other intellectual property rights, and we do not know if our collaborators or we would be successful in any such litigation. Any legal action against our collaborators or us claiming damages or seeking to enjoin

commercial activities relating to the affected products, our methods or processes could:

- require our collaborators or us to obtain a license to continue to use, manufacture or market the affected products, methods or processes, which may not be available on commercially reasonable terms, if at all;
- prevent us from using the subject matter claimed in the patents held by others;
- subject us to potential liability for damages;
- consume a substantial portion of our managerial and financial resources; and
- result in litigation or administrative proceedings that may be costly, whether we win or lose.

Our effective tax rate may fluctuate, and we may incur obligations in tax jurisdictions in excess of accrued amounts.

We are subject to taxation in numerous US states and territories. As a result, our effective tax rate is derived from a combination of applicable tax rates in the various places that we operate. In preparing our financial statements, we estimate the amount of tax that will become payable in each of such places. Nevertheless, our effective tax rate may be different than experienced in the past due to numerous factors, including passage of the newly enacted federal income tax law, changes in the mix of our profitability from state to state, the results of examinations and audits of our tax filings, our inability to secure or sustain acceptable agreements with tax authorities, changes in accounting for income taxes and changes in tax laws. Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations and may result in tax obligations in excess of amounts accrued in our financial statements.

Our ability to use net operating losses (NOLs) and certain other tax attributes is uncertain and may be limited.*

Our ability to use our federal and state NOLs to offset potential future taxable income and related income taxes that would otherwise be due is dependent upon our generation of future taxable income before the expiration dates of the NOLs, and we cannot predict with certainty when, or whether, we will generate sufficient taxable income to use all of our NOLs. Federal NOLs generated prior to 2018 will continue to be governed by the NOL carryforward rules as they existed prior to the adoption of the Tax Cuts and Jobs Act (Tax Act), which means that generally they will expire 20 years after they were generated if not used prior thereto. Many states have similar laws. Accordingly, our federal and state NOLs could expire unused and be unavailable to offset future income tax liabilities. Under the Tax Act as modified by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), federal NOLs incurred in tax years beginning after December 31, 2017 and before January 1, 2021 may be carried back to each of the five tax years preceding such loss, and NOLs arising in tax years beginning after December 31, 2020 may not be carried back. Moreover, federal NOLs generated in tax years ending after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal NOLs may be limited to 80% of current year taxable income for tax years beginning after January 1, 2021. Under A.B. 85, the Company's California NOL carryforwards are suspended for tax years 2020, 2021, and 2022, but the period to use these carryovers was extended. Further, the Tax Act requires the taxpayers to capitalize Research and Experimental (R&E) expenditures under Section 174 of the Internal Revenue Code, as amended (Code), effective for taxable years beginning after December 31, 2021, which will reduce our NOLs beginning in 2022. R&E expenditures attributable to US-based research must be amortized over a period of 5 years and R&E expenditures attributable to research conducted outside of the US must be amortized over a period of 15 years.

In addition, utilization of NOLs to offset potential future taxable income and related income taxes that would otherwise be due is subject to annual limitations under the "ownership change" provisions of Sections 382 and 383 of the Code and similar state provisions, which may result in the expiration of NOLs before future utilization. In general, under the Code, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change NOLs and other pre-change tax attributes (such as research and development credit carryforwards) to offset its post-change taxable income or taxes may be limited. Our equity offerings and other changes in our stock ownership, some of which are outside of our control, may have resulted or could in the future result in an ownership change. Although we have completed studies to provide reasonable assurance that an ownership change limitation would not apply, we cannot be certain that a taxing authority would reach the same conclusion. If, after a review or audit, an ownership change limitation were to apply,

utilization of our domestic NOLs and tax credit carryforwards could be limited in future periods and a portion of the carryforwards could expire before being available to reduce future income tax liabilities. Moreover, our ability to utilize our NOLs is conditioned upon us achieving profitability and generating US federal taxable income.

Because we expect to be dependent upon collaborative and license agreements, we might not meet our strategic objectives.

Our ability to generate revenue in the near term depends on the timing of recognition of certain upfront payments, achievement of certain payment triggering events with our existing collaboration agreements and our ability to enter into additional collaborative agreements with third parties. Our ability to enter into new collaborations and the revenue, if any, that may be recognized under these collaborations is highly uncertain. If we are unable to enter into one or more new collaborations, our business prospects could be harmed, which could have an immediate adverse effect on our ability to continue to develop our compounds and on the trading price of our stock. Our ability to enter into a collaboration may be dependent on many factors, such as the results of our clinical trials, competitive factors and the fit of one of our programs with another company's risk tolerance, including toward regulatory issues, patent portfolio, clinical pipeline, the stage of the available data, particularly if it is early, overall corporate goals and financial position.

To date, a portion of our revenues have been related to the research or transition phase of each of our collaborative agreements. Such revenues are for specified periods, and the impact of such revenues on our results of operations is at least partially offset by corresponding research costs. Following the completion of the research or transition phase of each collaborative agreement, additional revenues may come only from payments triggered by milestones and/or the achievement of other contingent events, and royalties, which may not be paid, if at all, until certain conditions are met. This risk is heightened due to the fact that unsuccessful research efforts may preclude us from receiving any contingent payments under these agreements. Our receipt of revenues from collaborative arrangements is also significantly affected by the timing of efforts expended by us and our collaborators and the timing of lead compound identification. We have received payments from our collaborations with Lilly, Grifols, Kissei, Medison, Aclaris, Celgene, BMS, AZ, BerGenBio, Janssen Pharmaceutica N.V., a division of Johnson & Johnson, Novartis Pharma A.G., Daiichi, Merck & Co., Inc., Merck Serono and Pfizer. Under many agreements, future payments may not be earned until the collaborator has advanced product candidates into clinical testing, which may never occur or may not occur until sometime well into the future. If we are not able to generate revenue under our collaborations when and in accordance with our expectations or the expectations of industry analysts, this failure could harm our business and have an immediate adverse effect on the trading price of our common stock.

Our business requires us to generate meaningful revenue from royalties and licensing agreements. To date, we have not recognized material amount of revenue from royalties for the commercial sale of drugs, and we do not know when we will be able to generate such meaningful revenue in the future.

Securities class action lawsuits or other litigation could result in substantial damages and may divert management's time and attention from our business.

We have been subject to class action lawsuits in the past and we may be subject to lawsuits in the future, such as those that might occur if there was to be a change in our corporate strategy. These and other lawsuits are subject to inherent uncertainties, and the actual costs to be incurred relating to the lawsuit will depend upon many unknown factors. The outcome of litigation is necessarily uncertain, and we could be forced to expend significant resources in the defense of such suits, and we may not prevail. Monitoring and defending against legal actions is time-consuming for our management and detracts from our ability to fully focus our internal resources on our business activities. In addition, we may incur substantial legal fees and costs in connection with any such litigation. We have not established any reserves for any potential liability relating to any such potential lawsuits. It is possible that we could, in the future, incur judgments or enter into settlements of claims for monetary damages. A decision adverse to our interests on any such actions could result in the payment of substantial damages, or possibly fines, and could have an adverse effect on our cash flow, results of operations and financial position.

If our competitors develop technologies that are more effective than ours, our commercial opportunity will be reduced or eliminated.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant

technological change. Many of the drugs that we are attempting to discover will be competing with existing therapies. In addition, a number of companies are pursuing the development of pharmaceuticals that target the same diseases and conditions that we are targeting. For example, the commercialization of new pharmaceutical products is highly competitive, and we face substantial competition with respect to TAVALISSE in which there are existing therapies and drug candidates in development for the treatment of ITP that may be alternative therapies to TAVALISSE. Many of our competitors, including a number of large pharmaceutical companies that compete directly with us, have significantly greater financial resources and expertise commercializing approved products than we do. Also, many of our competitors are large pharmaceutical companies that will have a greater ability to reduce prices for their competing drugs in an effort to gain market share and undermine the value proposition that we might otherwise be able to offer to payers. We face, and will continue to face, intense competition from pharmaceutical and biotechnology companies, as well as from academic and research institutions and government agencies, both in the US and abroad. Some of these competitors are pursuing the development of pharmaceuticals that target the same diseases and conditions as our research programs. Our competitors including fully integrated pharmaceutical companies have extensive drug discovery efforts and are developing novel small-molecule pharmaceuticals. We also face significant competition from organizations that are pursuing the same or similar technologies, including the discovery of targets that are useful in compound screening, as the technologies used by us in our drug discovery efforts.

Competition may also arise from:

- new or better methods of target identification or validation;
- generic versions of TAVALISSE or of products with which we compete;
- other drug development technologies and methods of preventing or reducing the incidence of disease;
- new small molecules; or
- other classes of therapeutic agents.

Our competitors or their collaborative partners may utilize discovery technologies and techniques or partner with collaborators in order to develop products more rapidly or successfully than we or our collaborators are able to do. Many of our competitors, particularly large pharmaceutical companies, have substantially greater financial, technical and human resources and larger research and development staffs than we do. In addition, academic institutions, government agencies and other public and private organizations conducting research may seek patent protection with respect to potentially competitive products or technologies and may establish exclusive collaborative or licensing relationships with our competitors.

We believe that our ability to compete is dependent, in part, upon our ability to create, maintain and license scientifically-advanced technology and upon our and our collaborators' ability to develop and commercialize pharmaceutical products based on this technology, as well as our ability to attract and retain qualified personnel, obtain patent protection or otherwise develop proprietary technology or processes, secure effective market access by ensuring competitive pricing and reimbursement in territories of interest, and secure sufficient capital resources for the expected substantial time period between technological conception and commercial sales of products based upon our technology. The failure by any of our collaborators or us in any of those areas may prevent the successful commercialization of our potential drug targets.

Many of our competitors, either alone or together with their collaborative partners, have significantly greater experience than we do in:

- identifying and validating targets;
- screening compounds against targets; and
- undertaking preclinical testing and clinical trials.

Accordingly, our competitors may succeed in obtaining patent protection, identifying or validating new targets or discovering new drug compounds before we do.

Our competitors might develop technologies and drugs that are more effective or less costly than any that are being developed by us or that would render our technology and product candidates obsolete and noncompetitive. In addition, our competitors may succeed in obtaining the approval of the FDA or other regulatory agencies for product candidates more rapidly. Companies that complete clinical trials, obtain required regulatory agency approvals and commence commercial sale of their drugs before us may achieve a significant competitive advantage, including certain patent and FDA marketing exclusivity rights that would delay or prevent our ability to market certain products. Any drugs resulting from our research and development efforts, or from our joint efforts with our existing or future collaborative partners, might not be able to compete successfully with competitors' existing or future products or obtain regulatory approval in the US or elsewhere.

We face and will continue to face intense competition from other companies for collaborative arrangements with pharmaceutical and biotechnology companies, for establishing relationships with academic and research institutions and for licenses to additional technologies. These competitors, either alone or with their collaborative partners, may succeed in developing technologies or products that are more effective than ours.

Our ability to compete successfully will depend, in part, on our ability to:

- identify and validate targets;
- discover candidate drug compounds that interact with the targets we identify in a safe and efficacious way;
- attract and retain scientific and product development personnel;
- recruit subjects into our clinical trials;
- obtain and maintain required regulatory approvals;
- obtain patent or other proprietary protection for our new drug compounds and technologies; and
- enter commercialization agreements for our new drug compounds.

Our stock price may be volatile, and our stockholders' investment in our common stock could decline in value.*

The market prices for our common stock and the securities of other biotechnology companies have been highly volatile and may continue to be highly volatile in the future. The following factors, in addition to other risk factors described in this section, may have a significant impact on the market price of our common stock:

- the progress and success of our clinical trials and preclinical activities (including studies and manufacture of materials) of our product candidates conducted by us;
- our ability to continue to sell TAVALISSE in the US;
- our ability to enter into partnering opportunities across our pipeline;
- the receipt or failure to receive the additional funding necessary to conduct our business;
- selling of our common stock by large stockholders;
- presentations of detailed clinical trial data at medical and scientific conferences and investor perception thereof;
- announcements of technological innovations or new commercial products by our competitors or us;
- the announcement of regulatory applications, such as Annora's ANDA, seeking approval of generic versions of our marketed products;
- developments concerning proprietary rights, including patents;
- developments concerning our collaborations;

- publicity regarding actual or potential medical results relating to products under development by our competitors or us;
- regulatory developments in the US and foreign countries;
- changes in the structure of healthcare payment systems;
- litigation or arbitration;
- economic and other external factors or other disaster or crisis; and
- period-to-period fluctuations in financial results.

If we fail to continue to meet the listing standards of Nasdaq, our common stock may be delisted, which could have a material adverse effect on the liquidity of our common stock.*

Our common stock is currently listed on the Nasdaq Global Market. The Nasdaq Stock Market LLC has requirements that a company must meet in order to remain listed on Nasdaq. In particular, Nasdaq rules require us to maintain a minimum bid price of $1.00 per share of our common stock. If the closing bid price of our common stock were to fall below $1.00 per share for 30 consecutive trading days or we do not meet other listing requirements, we would fail to be in compliance with Nasdaq listing standards. There can be no assurance that we will continue to meet the minimum bid price requirement, or any other requirement in the future. If we fail to meet the minimum bid price requirement, The Nasdaq Stock Market LLC may initiate the delisting process with a notification letter. If we were to receive such a notification, we would be afforded a grace period of 180 calendar days to regain compliance with the minimum bid price requirement. In order to regain compliance, shares of our common stock would need to maintain a minimum closing bid price of at least $1.00 per share for a minimum of 10 consecutive trading days. In addition, we may be unable to meet other applicable Nasdaq listing requirements, including maintaining minimum levels of stockholders' equity or market values of our common stock in which case, our common stock could be delisted. If our common stock were to be delisted, the liquidity of our common stock would be adversely affected and the market price of our common stock could decrease.

The withdrawal of the UK from the EU may adversely impact our ability to obtain regulatory approvals of our product candidates in the UK and the EU, result in restrictions or imposition of taxes and duties for importing our product candidates into the UK and the EU, and may require us to incur additional expenses in order to develop, manufacture and commercialize our product candidates in the UK and the EU.

Following the result of a referendum in 2016, the UK left the EU on January 31, 2020, commonly referred to as Brexit. Pursuant to the formal withdrawal arrangements agreed between the UK and the EU, the UK was subject to a transition period until December 31, 2020, or the Transition Period, during which EU rules continued to apply. A trade and cooperation agreement (Trade Agreement) that outlines the future trading relationship between the UK and the EU was agreed to in December 2020 and has been approved by each EU member state and the UK.

Since a significant proportion of the regulatory framework in the UK applicable to our business and our product candidates is derived from EU directives and regulations, Brexit has had, and will continue to have, a material impact upon the regulatory regime with respect to the development, manufacture, importation, approval and commercialization of our product candidates in the UK or the EU. Great Britain (made up of England, Scotland, and Wales) is no longer covered by the EEA's procedures for the grant of marketing authorizations (Northern Ireland will be covered by such procedures). A separate marketing authorization will be required to market drugs in Great Britain. It is currently unclear whether the Medicines and Healthcare Products Regulatory Agency, or MHRA, in the UK is sufficiently prepared to handle the increased volume of marketing authorization applications that it is likely to receive. Any delay in obtaining, or an inability to obtain, any marketing approvals would delay or prevent us from commercializing our product candidates in the UK or the EU and restrict our ability to generate revenue and achieve and sustain profitability.

While the Trade Agreement provides for the tariff-free trade of medicinal products between the UK and the EU, there may be additional non-tariff costs to such trade which did not exist prior to the end of the Transition Period. Further, should the UK diverge from the EU from a regulatory perspective in relation to medicinal products, tariffs could be put into place in the future. We could therefore, both now and in the future, face significant additional expenses

(when compared to the position prior to the end of the Transition Period) to operate our business, which could significantly and materially harm or delay our ability to generate revenues or achieve profitability of our business. Any further changes in international trade, tariff and import/export regulations as a result of Brexit or otherwise may impose unexpected duty costs or other non-tariff barriers on us. These developments, or the perception that any of them could occur, may significantly reduce global trade and, in particular, trade between the impacted nations and the UK. It is also possible that Brexit may negatively affect our ability to attract and retain employees, particularly those from the EU.

Orphan designation in Great Britain following Brexit is granted on an essentially identical basis as in the EU but is based on the prevalence of the condition in Great Britain. It is therefore possible that conditions that are currently designated as orphan conditions in Great Britain will no longer be, and conditions that are not currently designated as orphan conditions in the EU will be designated as such in Great Britain.

If product liability lawsuits are successfully brought against us, we may incur substantial liabilities and may be required to limit commercialization of our products.

The testing and marketing of medical products and the sale of any products for which we obtain marketing approval exposes us to the risk of product liability claims. Product liability claims might be brought against us by consumers, health care providers, pharmaceutical companies or others selling or otherwise coming into contact with our products. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. We carry product liability insurance that is limited in scope and amount and may not be adequate to fully protect us against product liability claims. If and when we obtain marketing approval for our product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of pharmaceutical products we develop, alone or with corporate collaborators. We, or our corporate collaborators, might not be able to obtain insurance at a reasonable cost, if at all. While under various circumstances we are entitled to be indemnified against losses by our corporate collaborators, indemnification may not be available or adequate should any claim arise.

We depend on various scientific consultants and advisors for the success and continuation of our research and development efforts.

We work extensively with various scientific consultants and advisors. The potential success of our drug discovery and development programs depends, in part, on continued collaborations with certain of these consultants and advisors. We, and various members of our management and research staff, rely on certain of these consultants and advisors for expertise in our research, regulatory and clinical efforts. Our scientific advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. We do not know if we will be able to maintain such consulting agreements or that such scientific advisors will not enter into consulting arrangements with competing pharmaceutical or biotechnology companies, any of which may have a detrimental impact on our research objectives and could have an adverse effect on our business, financial condition and results of operations.

While we have a strong compliance effort in place to ensure we are complying with all requirements of law, our consulting or advisory contracts with our scientific consultants and advisors may be scrutinized under the Anti-Kickback Statute, the UK Bribery Act 2010, and other similar national and state-level legislation, which prohibit, among other things, companies from offering or paying anything of value as remuneration for ordering, purchasing, or recommending the ordering or purchasing of pharmaceutical and biological products that may be paid for, in whole or in part, by Medicare, Medicaid, or another federal healthcare program. Although there are several statutory exceptions and regulatory safe harbors that may protect these arrangements from prosecution or regulatory sanctions, our consulting and advising contracts may be subject to scrutiny if they do not fit squarely within an available exception or safe harbor.

If we use biological and hazardous materials in a manner that causes injury or violates laws, we may be liable for damages, penalties or fines.

Our research and development activities involve the controlled use of potentially harmful biological materials as well as hazardous materials, chemicals, animals, and various radioactive compounds. We cannot completely eliminate the risk of accidental contamination or injury from the use, storage, handling or disposal of these animals and materials.

In the event of contamination or injury, we could be held liable for damages that result or for penalties or fines that may be imposed, and such liability could exceed our resources. We are also subject to federal, state and local laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. The cost of compliance with, or any potential violation of, these laws and regulations could be significant.

Our information technology systems, or those used by our CROs or other contractors or consultants, may fail or suffer other breakdowns, cyber-attacks, or information security breaches.

We are increasingly dependent upon information technology systems, infrastructure, and data to operate our business, particularly during the COVID-19 pandemic. We also rely on third party vendors and their information technology systems. Despite the implementation of security measures, our recovery systems, security protocols, network protection mechanisms and other security measures and those of our CROs and other contractors and consultants are vulnerable to compromise from natural disasters; terrorism; war; telecommunication and electric failures; traditional computer hackers; malicious code (such as computer viruses or worms); employee error, theft or misuse; denial-of-service attacks; cyber-attacks by sophisticated nation-state and nation-state supported actors including ransomware; or other system disruptions. We receive, generate and store significant and increasing volumes of personal (including health), confidential and proprietary information. There can be no assurance that we, or our collaborators, CROs, third-party vendors, contractors and consultants will be successful in efforts to detect, prevent, protect against or fully recover systems or data from all break-downs, service interruptions, attacks or breaches. Any breakdown, cyber-attack or information security breach could result in a disruption of our drug development programs or other aspects of our business. For example, the loss of clinical trial data from completed or ongoing clinical trials for a product candidate could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to our data or applications, or inappropriate disclosure of personal, confidential or proprietary information, we could incur liability, incur significant remediation or litigation costs, result in product development delays, disrupt key business operations, cause loss of revenue and divert attention of management and key information technology resources.

Hackers and data thieves are increasingly sophisticated and operate large-scale and complex automated attacks, including on companies within the healthcare industry. As the cyber-threat landscape evolves, these threats are likely growing in frequency, sophistication and intensity and are increasingly difficult to detect. The costs of maintaining or upgrading our cyber-security systems at the level necessary to keep up with our expanding operations and prevent against potential attacks are increasing. Cyber threats may be generic, or they may be targeted against our information systems. Our network and storage applications and those of our contract manufacturing organizations, collaborators, contractors, CROs or vendors may be subject to unauthorized access or processing by hackers or breached due to operator or other human error, theft, malfeasance or other system disruptions. We may be unable to anticipate or immediately detect information security incidents and the damage caused by such incidents. These data breaches and any unauthorized access, processing or disclosure of our information or intellectual property could compromise our intellectual property and expose our sensitive business information. Such attacks, such as in the case of a ransomware attack, also may interfere with our ability to continue to operate and may result in delays and shortcomings due to an attack that may encrypt our or our service providers' or partners' systems unusable. Additionally, because our services involve the processing of personal information and other sensitive information about individuals we are subject to various laws, regulations, industry standards, and contractual requirements related to such processing. Any event that leads to unauthorized access, processing or disclosure of personal information, including personal information regarding our clinical study participants or employees, could harm our reputation and business, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to investigations and mandatory corrective action, and otherwise subject us to liability under laws, regulations or contracts that protect the privacy and security of personal information, which could disrupt our business, damage our reputation with our stakeholders, result in increased costs or loss of revenue, lead to negative publicity or result in significant financial exposure. The CCPA, in particular, includes a private right of action for California consumers whose personal information is impacted by a data security incident resulting from a company's failure to maintain reasonable security procedures, and hence may result in civil litigation in the event of a security breach impacting such information. In addition, legislators and regulators in the US have enacted and are proposing new and more robust privacy and cybersecurity laws and regulations in response to increasing broad-based cyberattacks, including the CCPA and New York SHIELD Act. New data security laws add additional complexity, requirements, restrictions and potential legal risk, and compliance programs may require additional investment in resources, and could impact strategies and availability of previously useful data.

The costs to respond to a security breach and/or to mitigate any identified security vulnerabilities could be significant, our efforts to address these issues may not be successful, and these issues could result in interruptions, delays, negative publicity, loss of customer trust, and other harms to our business and competitive position. Remediation of any potential security breach may involve significant time, resources, and expenses. We could be required to fundamentally change our business activities and practices in response to a security breach and our systems or networks may be perceived as less desirable, which could negatively affect our business and damage our reputation.

A security breach may cause us to breach our contracts with third parties. Our agreements with relevant stakeholders such as collaborators may require us to use legally required, industry-standard or reasonable measures to safeguard personal information. A security breach could lead to claims by relevant stakeholders that we have failed to comply with such contractual obligations, or require us to cooperate with these stakeholders in their own compliance efforts related to the security breach. In addition, any non-compliance with our data privacy obligations in our contracts or our inability to flow down such obligations from relevant stakeholders to our vendors may cause us to breach our contracts. As a result, we could be subject to legal action or the relevant stakeholders could end their relationships with us. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages.

We may not have adequate insurance coverage for security incidents or breaches. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

Future equity issuances or a sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.*

Because we will continue to need additional capital in the future to continue to expand our business and our research and development activities, among other things, we may conduct additional equity offerings. For example, we filed a universal shelf registration statement in March 2018 that was declared effective by the SEC in April 2018, and expired in April 2021, under which we sold 18,400,000 shares of common stock at a weighted-average price of $3.90 per share for net proceeds of $67.2 million, after deducting sale commissions.

On August 3, 2021, a new automatic shelf registration statement was filed by us, as a WKSI. The automatic shelf registration statement was filed to register, among other securities, the sale of up to a maximum aggregate offering price of $100.0 million of shares of our common stock that may be issued and sold from time to time under our Open Market Sale Agreement with Jefferies LLC., and a base prospectus which covers the offering, issuance, and sale by us of the securities identified above from time to time in one or more offerings. On March 1, 2022, we filed a post-effective amendment to the automatic shelf registration statement immediately after filing our Annual Report Form 10-K for the year ended December 31, 2021 because we no longer qualified as a WKSI upon filing of such Annual Report. The post-effective amendment was declared effective on May 3, 2022. The post-effective amendment registers, among other securities, a base prospectus which covers the offering, issuance, and sale by us of up to $250.0 million in the aggregate of the securities identified from time to time in one or more offerings, which include the $100.0 million of shares of our common stock that may be offered, issued and sold under the Open Market Sale Agreement.

We may also in the future enter into underwriting or sales agreements with financial institutions for the offer and sale of any combination of common stock, preferred stock, debt securities and warrants in one or more offerings. If we or our stockholders sell, or if it is perceived that we or they will sell, substantial amounts of our common stock in the public market, the market price of our common stock could fall. A decline in the market price of our common stock could make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. In addition, future sales by us of our common stock may be dilutive to existing stockholders. Furthermore, if we obtain funds through a credit facility or through the issuance of debt or preferred securities, these securities would likely have rights senior to the rights of our common stockholders, which could impair the value of our common stock.

Risks Related to Clinical Development and Regulatory Approval

Enacted or future legislation, and/or potentially unfavorable pricing regulations or other healthcare reform initiatives, may increase the difficulty and cost for us to obtain regulatory approval of our product candidates and/or commercialize fostamatinib or our product candidates, once approved, and affect the prices we may set or obtain.*

The regulations that govern, among other things, regulatory approvals, coverage, pricing and reimbursement for new drug products vary widely from country to country. In the US and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay regulatory approval of our product candidates, restrict or regulate post-approval activities and affect our ability to successfully sell fostamatinib or any product candidates for which we obtain regulatory approval in the future. In particular, in March 2010, the Affordable Care Act was enacted, which substantially changed the way health care is financed by both governmental and private insurers, and continues to significantly impact the US pharmaceutical industry. On June 17, 2021, the US Supreme Court dismissed the most recent judicial challenge to the Affordable Care Act brought by several states without specifically ruling on the constitutionality of the law. Prior to the Supreme Court's decision, President Biden issued an executive order that instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the Affordable Care Act. It is unclear how future actions before the Supreme Court, other such litigation, and the healthcare reform measures of the Biden administration will impact the Affordable Care Act and our business.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. 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 the costs of

healthcare and/or impose price controls may adversely affect, for example:

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

Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors, which may adversely affect our future profitability.

In the US, the EU and other potentially significant markets for our current and future products, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, particularly for new and innovative products and therapies, which has resulted in lower average selling prices. In the US, there have been several recent Congressional inquiries and federal legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer-sponsored patient assistance programs, and reform government program reimbursement methodologies for drugs. The former Trump administration used several means to propose or implement drug pricing reform, including through federal budget proposals, executive orders and policy initiatives. The FDA also released a final rule, effective November 30, 2020, implementing a portion of the importation executive order providing guidance for states to build and submit importation plans for drugs from Canada. Further, on November 20, 2020, HHS finalized a regulation removing safe harbor protection under the federal Anti-Kickback Statute for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through PBMs, unless the price reduction is required by law. The implementation of the rule has been delayed by ongoing litigation and a Congress-passed moratorium on implementation before January 1, 2026. The rule would create a new safe harbor for manufacturer price reductions reflected at the point-of-sale, as well as a new safe harbor for certain fixed fee arrangements between PBMs and manufacturers, the implementation of which have also been delayed until January 1, 2026. Most recently, on June 16, 2022, the Federal Trade Commission issued a policy statement stating its intension to increase enforcement scrutiny of "exclusionary rebates" to PBMs and other intermediaries that "foreclose competition."

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which, among other changes, eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacture price, for single source and innovator multiple source drugs, beginning January 1, 2024. The American Rescue Plan Act also temporarily increased premium tax credit assistance for individuals eligible for subsidies under the ACA for 2021 and 2022 and removed the 400% federal poverty level limit that otherwise applies for purposes of eligibility to receive premium tax credits. More recently, the temporary suspension of the 2% reduction in Medicare payments to providers that was instituted in the wake of the COVID-19 pandemic expired on July 1, 2022, with the 2% reduction set to remain in effect until 2031 unless additional Congressional action is taken. Most recently, on August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022, which, among other reforms, allows Medicare to: beginning in 2026, establish a "maximum fair price" for certain pharmaceutical and biological products covered under Medicare Parts B and D; beginning in 2023, penalize drug companies that raise prices for products covered under Medicare Parts B and D faster than inflation; and beginning in 2025 impose new discounts obligations on pharmaceutical and biological manufacturers for products covered under Medicare Part D.

The Biden administration has also taken executive action to address drug pricing and other healthcare policy changes. For example, on July 9, 2021, President Biden signed an executive order to promote competition in the US economy that included several initiatives addressing prescription drugs. Among other provisions, the executive order directed the Secretary of HHS to issue a report to the White House within 45 days that includes a plan to, among other things, reduce prices for prescription drugs, including prices paid by the federal government for such drugs. In response to the Executive Order, on September 9, 2021, HHS issued a Comprehensive Plan for Addressing High Drug Prices that identified potential legislative policies and administrative tools that Congress and the agency can pursue in order to make drug prices more affordable and equitable, improve and promote competition throughout the prescription drug industry, and foster scientific innovation.

Furthermore, the increased emphasis on managed healthcare in the US and on country and regional pricing and reimbursement controls in the EU and the UK will put additional pressure on product pricing, reimbursement and usage, which may adversely affect our sales and results of operations. These pressures can arise from rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare, Medicaid and healthcare reform, pharmaceutical reimbursement policies and pricing in general. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. It is also possible that additional governmental action is taken in response to the COVID-19 pandemic.

We cannot predict the likelihood, nature, or extent of health reform initiatives that may arise from future legislation or administrative action. However, we expect these initiatives to increase pressure on drug pricing. Further, certain broader legislation that is not targeted to the health care industry may nonetheless adversely affect our profitability. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

See "Part I, Item 1 – Business – Government Regulation – Healthcare Reform" of our Annual Report on Form 10-K for the year ended December 31, 2021.

Regulatory approval for any approved product is limited by the FDA, the European Commission and other regulators to those specific indications and conditions for which clinical safety and efficacy have been demonstrated, and we may incur significant liability if it is determined that we are promoting the "off-label" use of TAVALISSE or any of our future product candidates if approved.

Any regulatory approval is limited to those specific diseases, indications and patient populations for which a product is deemed to be safe and effective by the FDA, the European Commission and other regulators. For example, the FDA-approved label for TAVALISSE is only approved for use in adults with ITP who have had an insufficient response to other treatments. In addition to the FDA approval required for new formulations, any new indication for an approved product also requires FDA approval. If we are not able to obtain FDA approval for any desired future indications for our products and product candidates, our ability to effectively market and sell our products may be reduced and our business may be adversely affected.

While physicians may choose to prescribe drugs for uses that are not described in the product's labeling and for uses that differ from those tested in clinical studies and approved by the regulatory authorities, our ability to promote the products is limited to those indications and patient populations that are specifically approved by the FDA. These "off-label" uses are common across medical specialties and may constitute an appropriate treatment for some patients in varied circumstances. We have implemented compliance and monitoring policies and procedures, including a process for internal review of promotional materials, to deter the promotion of TAVALISSE for off-label uses. We cannot guarantee that these compliance activities will prevent or timely detect off-label promotion by sales representatives or other personnel in their communications with health care professionals, patients and others, particularly if these activities are concealed from the Company. Regulatory authorities in the US generally do not regulate the behavior of physicians in their choice of treatments. Regulatory authorities do, however, restrict communications by pharmaceutical companies on the subject of off-label use. If our promotional activities fail to comply with the FDA's or other competent national authority's regulations or guidelines, we may be subject to warnings from, or enforcement action by, these regulatory authorities. In addition, our failure to follow FDA rules and guidelines relating to promotion and advertising may cause the FDA to issue warning letters or untitled letters, suspend or withdraw an approved product from the market, require a recall or institute fines, which could result in the disgorgement of money, operating restrictions, injunctions or civil or criminal enforcement, and other consequences, any of which could harm our business.

Notwithstanding the regulatory restrictions on off-label promotion, the FDA and other regulatory authorities allow companies to engage in truthful, non-misleading and non-promotional scientific exchange concerning their products. We engage in medical education activities and communicate with investigators and potential investigators regarding our clinical trials. If the FDA or other regulatory or enforcement authorities determine that our communications regarding our marketed product are not in compliance with the relevant regulatory requirements and that we have improperly promoted off-label uses, or that our communications regarding our investigational products are

not in compliance with the relevant regulatory requirements and that we have improperly engaged in pre-approval promotion, we may be subject to significant liability, including civil and administrative remedies as well as criminal sanctions.

Delays in clinical testing could result in increased costs to us.*

We may not be able to initiate or continue clinical studies or trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these clinical trials as required by the FDA or other regulatory authorities, whether due to the impacts of the ongoing COVID-19 pandemic, the Russian-Ukrainian conflict or otherwise. Even if we are able to enroll a sufficient number of patients in our clinical trials, if the pace of enrollment is slower than we expect, the development costs for our product candidates may increase and the completion of our clinical trials may be delayed, or our clinical trials could become too expensive to complete. Significant delays in clinical testing could negatively impact our product development costs and timing. Our estimates regarding timing are based on a number of assumptions, including assumptions based on past experience with our other clinical programs. If we are unable to enroll the patients in these trials at the projected rate, the completion of the clinical program could be delayed and the costs of conducting the program could increase, either of which could harm our business.

Clinical trials can be delayed for a variety of reasons, including delays in obtaining regulatory approval to commence a study, delays from scaling up of a study, delays in reaching agreement on acceptable clinical trial agreement terms with prospective clinical sites, delays in obtaining institutional review board approval to conduct a study at a prospective clinical site or delays in recruiting subjects to participate in a study. In addition, we typically rely on third-party clinical investigators to conduct our clinical trials and other third-party organizations to oversee the operations of such trials and to perform data collection and analysis. The clinical investigators are not our employees, and we cannot control the amount or timing of resources that they devote to our programs. Failure of the third-party organizations to meet their obligations, whether due to the impacts of the ongoing COVID-19 pandemic or otherwise, could adversely affect clinical development of our products. As a result, we may face additional delaying factors outside our control if these parties do not perform their obligations in a timely fashion. For example, any number of those issues could arise with our clinical trials causing a delay. Delays of this sort could occur for the reasons identified above or other reasons. If we have delays in conducting the clinical trials or obtaining regulatory approvals, our product development costs will increase. For example, we may need to make additional payments to third-party investigators and organizations to retain their services or we may need to pay recruitment incentives. If the delays are significant, our financial results and the commercial prospects for our product candidates will be harmed, and our ability to become profitable will be delayed. Moreover, these third-party investigators and organizations may also have relationships with other commercial entities, some of which may compete with us. If these third-party investigators and organizations assist our competitors at our expense, it could harm our competitive position.

Due to the evolving effects of the COVID-19 pandemic, for several of our development programs, we are experiencing a disruption or delay in our ability to enroll and assess patients, maintain patient enrollment, supply study drug, report trial results, or interact with regulators, ethics committees or other important agencies due to limitations in employee resources or otherwise. In addition, some patients may not be able or willing to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services. Similarly, our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 may adversely impact our clinical trial operations. In light of the evolving effects of the COVID-19 pandemic, we have taken, and will continue to take, measures to implement remote and virtual approaches to clinical development, including remote patient monitoring where possible, and if the COVID-19 pandemic continues and persists for an extended period of time, we could experience significant disruptions to our clinical development timelines, which would adversely affect our business, financial condition, results of operations and growth prospects.

We have conducted in the past and are currently conducting clinical trials in the US and outside US including Ukraine and Russia. Recent actions taken by the Russian Federation in Ukraine and surrounding areas have destabilized the region and caused the adoption of comprehensive sanctions by, among others, the EU, the US and the UK, which restrict a wide range of trade and financial dealings with Russia and Russian persons, as well as certain regions in Ukraine. Further, some patients may not be able to comply with clinical trial protocols if the conflict impedes patient movement or interrupts healthcare services. In addition, clinical trial site initiation and patient enrollment may be delayed, and we may not be able to access sites for initiation and monitoring in regions affected by the Russian-Ukrainian conflict including due to the prioritization of hospital resources away from clinical trials or as a result of government-imposed curfews, warfare, violence or other governmental actions or events that restrict movement. We

could also experience disruptions in our supply chain or limits our ability to obtain sufficient materials for our drug products in certain regions.

We may not be able to obtain an EUA for fostamatinib for the treatment of hospitalized patients with COVID-19, and, even if we do, absent supplemental NDA approval for that indication, such EUA would be revoked when the COVID-19 emergency terminates.*

Based on the results of the NIH/NHLBI-sponsored Phase 2 trial, in May 2021, we filed an EUA for the use of fostamatinib for the treatment of hospitalized patients with COVID-19. In August 2021, the FDA informed us that the clinical data submitted from the NIH/NHLBI-sponsored Phase 2 trial of fostamatinib to treat hospitalized patients suffering from COVID-19 was insufficient for EUA. In July 2022, we completed enrollment with 280 patients in our pivotal Phase 3 clinical trial evaluating fostamatinib in high-risk patients hospitalized with COVID-19. The trial had originally targeted a total of 308 patients; however, we determined the trial would be sufficiently powered with 280 patients to potentially provide a clinically meaningful result and determine the efficacy and safety of fostamatinib in hospitalized COVID-19 patients. On November 1, 2022, we announced the top-line results of the clinical trial. The trial approached but did not meet statistical significance in the primary efficacy endpoint. All prespecified secondary endpoints in the study numerically favored fostamatinib over placebo, including mortality, time to sustained recovery, change in ordinal scale assessment, and number of days in the ICU. We are evaluating the opportunity and next steps in collaboration with our partner, the US Department of Defense. Section 564 of the FDCA allows the FDA to authorize the shipment of drugs, biological products, or medical devices that either lack required approval, licensure, or clearance (unapproved products), or are approved but are to be used for unapproved ways to diagnose, treat, or prevent serious diseases or conditions in the event of an emergency declaration by the HHS Secretary.

On February 4, 2020, then-HHS Secretary Alex M. Azar II declared a public health emergency for COVID-19, under 21 U.S.C. § 360bbb-3(b)(1), justifying the authorization of emergency use of unapproved therapeutic products, or unapproved uses of approved or cleared therapeutic products, to treat COVID-19. This determination was published in the Federal Register on February 7, 2020.

While this emergency declaration is effective, the FDA may authorize the use of an unapproved product or an unapproved use of an approved product if it concludes that:

- an agent referred to in the emergency declaration could cause a serious or life-threatening disease or condition;
- it is reasonable to believe that the authorized product may be effective in diagnosing, treating, or preventing that disease or condition or a serious or life-threatening disease or condition caused by an approved product or a product marketed under an EUA;
- the known and potential benefits of the authorized product, when used for that disease or condition, outweigh known and potential risks, taking into consideration the material threat of agents identified in the emergency declaration;
- there is no adequate, approved, and available alternative to the authorized product for diagnosing, preventing, or treating the relevant disease or condition;
- any other criteria prescribed by the FDA is satisfied.

Medical products that are granted an EUA are only permitted to commercialize their products under the terms and conditions provided in the authorization. The FDCA authorizes FDA to impose such conditions on an EUA as may be necessary to protect the public health. Consequently, postmarketing requirements will vary across EUAs. In addition, FDA has, on occasion, waived requirements for drugs marketed under an EUA.

Generally, EUAs for unapproved products or unapproved uses of approved products require that manufacturers distribute factsheets for healthcare providers, addressing significant known and potential benefits and risk, and the extent to which benefits and risks are unknown, and the fact that FDA has authorized emergency use; and, distribution of factsheets for recipients of the product, addressing significant known and potential benefits and risk, and the extent to which benefits and risks are unknown, the option to accept or refuse the product, the consequences of refusing, available alternatives and the fact that FDA has authorized emergency use.

Generally, EUAs for unapproved products and, per FDA's discretion, EUAs for unapproved uses of approved products, include requirements for adverse event monitoring and reporting, and other recordkeeping and reporting requirements. Note, however, that approved products are already subject to equivalent requirements.

In addition, the FDA may include various requirements in an EUA as a matter of discretion as deemed necessary to protect the public health, including restrictions on which entities may distribute the product, and how to perform distribution (including requiring that distribution be limited to government entities), restrictions on who may administer the product, requirements for collection and analysis of safety and effectiveness data, waivers of cGMP, and restrictions applicable to prescription drugs or restricted devices (including advertising and promotion restrictions).

The FDA may revoke an EUA when it is determined that the underlying health emergency no longer exists or warrants such authorization, if the conditions for the issuance of the EUA are no longer met, or if other circumstances make revocation appropriate to protect the public health or safety. We cannot predict how long, if ever, an EUA would remain in place.

We cannot predict with certainty whether the Phase 3 study will meet its primary endpoint, and we therefore cannot guarantee that we will submit a second application for an EUA for fostamatinib. Even if the Phase 3 study does meet its primary endpoint, we cannot predict whether FDA will grant an EUA for fostamatinib based on the study data. We also cannot predict how long, if ever, an EUA would remain in place.

Our COVID-19 product candidate may not successfully protect against variants of the SARS-CoV-2 virus.

As the SARS-CoV-2 virus continues to evolve, new strains of the virus or those that are already in circulation may prove more transmissible or cause more severe forms of COVID-19 disease than the predominant strains to date. There is a risk that any product candidates we develop will not be as effective against variant strains of the SARS-CoV-2 virus expressing variants of the spike protein, particularly strains with mutations in the receptor binding domain and N-terminal domain. Such failure could lead to significant reputational harm, in addition to adversely affecting our financial results.

Public perception of the risk-benefit balance for our COVID-19 product candidates may be affected by adverse events in clinical trials involving our product candidate or other COVID-19 treatments.

Negative perception of the efficacy, safety, or tolerability of any investigational medicines that we develop, or of other products similar to products we are developing, such as fostamatinib for the treatment of COVID-19, could adversely affect our ability to conduct our business, advance our investigational medicines, or obtain regulatory approvals.

Adverse events in clinical trials of our investigational medicines or in clinical trials of others developing similar products, including other COVID-19 treatments, could result in a decrease in the perceived benefit of one or more of our programs, increased regulatory scrutiny, decreased confidence by patients and clinical trial collaborators in our investigational medicines, and less demand for any product that we may develop. If and when they are used in clinical trials, our developmental candidates and investigational medicines could result in a greater quantity of reportable adverse events, including suspected unexpected serious adverse reactions, other reportable negative clinical outcomes, manufacturing reportable events or material clinical events that could lead to clinical delay or hold by the FDA or applicable regulatory authority or other clinical delays, any of which could negatively impact the perception of one or more of our programs, as well as our business as a whole. In addition, responses by US, state, or foreign governments to negative public perception may result in new legislation or regulations that could limit our ability to develop any investigational medicines or commercialize any approved products, obtain or maintain regulatory approval, or otherwise achieve profitability. More restrictive statutory regimes, government regulations, or negative public opinion would have an adverse effect on our business, financial condition, results of operations, and prospects and may delay or impair the development of our investigational medicines and commercialization of any approved products or demand for any products we may develop.

We lack the capability to manufacture compounds for clinical development, and we rely on and intend to continue relying on third parties for commercial supply, manufacturing and distribution if any of our product candidates which receive regulatory approval and we may be unable to obtain required material or product in a timely manner, at an acceptable cost or at a quality level required to receive regulatory approval.

We currently do not have the manufacturing capabilities or experience necessary to produce TAVALISSE or any product candidates for clinical trials, including fostamatinib in our ongoing clinical trials for certain indications, and for olutasidenib. We currently use one manufacturer of fostamatinib. We do not currently have, nor do we plan to acquire the infrastructure or capability to supply, manufacture or distribute preclinical, clinical or commercial quantities of drug substances or products. For each clinical trial of our unpartnered product candidates, we rely on third-party manufacturers for the active pharmaceutical ingredients, as well as various manufacturers to manufacture starting components, excipients and formulated drug products. Our ability to develop our product candidates, and our ability to commercially supply our products will depend, in part, on our ability to successfully obtain the APIs and other substances and materials used in our product candidates from third parties and to have finished products manufactured by third parties in accordance with regulatory requirements and in sufficient quantities for preclinical and clinical testing and commercialization. If we fail to develop and maintain supply relationships with these third parties, we may be unable to continue to develop or commercialize our product candidates.

We rely and will continue to rely on certain third parties, including those located outside the US, as our limited source of the materials they supply or the finished products they manufacture. The drug substances and other materials used in our product candidates are currently available only from one or a limited number of suppliers or manufacturers and certain of our finished product candidates are manufactured by one or a limited number of contract manufacturers. Any of these existing suppliers or manufacturers may:

- fail to supply us with product on a timely basis or in the requested amount due to unexpected damage to or destruction of facilities or equipment or otherwise;
- fail to increase manufacturing capacity and produce drug product and components in larger quantities and at higher yields in a timely or cost-effective manner, or at all, to sufficiently meet our commercial needs;
- be unable to meet our production demands due to issues related to their reliance on sole-source suppliers and manufacturers;
- supply us with product that fails to meet regulatory requirements;
- become unavailable through business interruption or financial insolvency;
- lose regulatory status as an approved source;
- be unable or unwilling to renew current supply agreements when such agreements expire on a timely basis, on acceptable terms or at all; or
- discontinue production or manufacturing of necessary drug substances or products.

Our current and anticipated future dependence upon these third-party manufacturers may adversely affect our ability to develop and commercialize product candidates on a timely and competitive basis, which could have an adverse effect on sales, results of operations and financial condition. If we were required to transfer manufacturing processes to other third-party manufacturers and we were able to identify an alternative manufacturer, we would still need to satisfy various regulatory requirements. Satisfaction of these requirements could cause us to experience significant delays in receiving an adequate supply of our products and products in development and could be costly. Moreover, we may not be able to transfer processes that are proprietary to the manufacturer, if any. These manufacturers may not be able to produce material on a timely basis or manufacture material at the quality level or in the quantity required to meet our development timelines and applicable regulatory requirements and may also experience a shortage in qualified personnel, including due to the impacts of the COVID-19 pandemic. We may not be able to maintain or renew our existing third-party manufacturing arrangements, or enter into new arrangements, on acceptable terms, or at all. Our third-party manufacturers could terminate or decline to renew our manufacturing arrangements based on their own business priorities, at a time that is costly or inconvenient for us. If we are unable to contract for the production of

materials in sufficient quantity and of sufficient quality on acceptable terms, our planned clinical trials may be significantly delayed. Manufacturing delays could postpone the filing of our IND applications and/or the initiation or completion of clinical trials that we have currently planned or may plan in the future.

Drug manufacturers are subject to ongoing periodic unannounced inspection by the FDA, the Drug Enforcement Administration, the European Medicines Agency, national competent authorities in the EU and UK and other federal and state government and regulatory agencies to ensure strict compliance with cGMP and other government regulations and corresponding foreign standards. We do not have control over third-party manufacturers' compliance with these regulations and standards and they may not be able to comply. Switching manufacturers may be difficult because the number of potential manufacturers is limited. It may be difficult or impossible for us to find a replacement manufacturer quickly on acceptable terms, or at all. Additionally, if we are required to enter into new supply arrangements, we may not be able to obtain approval from the FDA of any alternate supplier in a timely manner, or at all, which could delay or prevent the clinical development and commercialization of any related product candidates. Failure of our third-party manufacturers or us to comply with applicable regulations, whether due to the impacts of the ongoing COVID-19 pandemic or otherwise, could result in sanctions being imposed on us, including fines, civil penalties, delays in or failure to grant marketing approval of our product candidates, injunctions, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products and compounds, operating restrictions and criminal prosecutions, warning or similar letters or civil, criminal or administrative sanctions against the company, any of which could adversely affect our business.

Any product for which we have obtained regulatory approval, or for which we obtain approval in the future, is subject to, or will be subject to, extensive ongoing regulatory requirements by the FDA, EMA and other comparable regulatory authorities, and if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, we may be subject to penalties, we may be unable to generate revenue from the sale of such products, our potential for generating positive cash flow will be diminished, and the capital necessary to fund our operations will be increased.*

In April 2018, the FDA had approved TAVALISSE for the treatment of adult patients with chronic ITP who have had insufficient response to previous treatment. We launched fostamatinib in the US on our own in late May 2018. In January 2019, we entered into an exclusive commercialization license agreement with Grifols to commercialize fostamatinib for the treatment, palliation, or prevention of human diseases, including chronic or persistent immune ITP, AIHA, and IgAN in Europe and Turkey. In October 2018, we entered into an exclusive license and supply agreement with Kissei for the development and commercialization of fostamatinib in all indications in Japan, China, Taiwan, and the Republic of Korea. In October 2019, we also entered into two exclusive license agreements with Medison to commercialize fostamatinib in all potential indications in Canada and Israel. In May 2022, we entered into commercial license agreement with Knight Therapeutics International SA (Knight) for the commercialization of fostamatinib for approved indications in Latin America, consisting of Mexico, Central and South America, and the Caribbean. Any product for which we have obtained regulatory approval, or for which we obtain regulatory approval in the future, along with the manufacturing processes and practices, post-approval clinical research, product labeling, advertising and promotional activities for such product, are subject to continual requirements of, and review by, the FDA, the EMA and other comparable international regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, current good manufacturing practices (cGMP) requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians, import and export requirements and recordkeeping. If we or our suppliers encounter manufacturing, quality or compliance difficulties with respect to TAVALISSE or any of our product candidates, when and if approved, whether due to the impacts of the ongoing COVID-19 pandemic (including as a result of disruptions of global shipping and the transport of products) or otherwise, we may be unable to obtain or maintain regulatory approval or meet commercial demand for such products, which could adversely affect our business, financial conditions, results of operations and growth prospects.

Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labeling. Thus, we will not be able to promote any products we develop for indications or uses for which they are not approved.

In addition, the FDA often requires post-marketing testing and surveillance to monitor the effects of products. The FDA, the EMA and other comparable international regulatory agencies may condition approval of our product candidates on the completion of such post-marketing clinical studies. These post-marketing studies may suggest that a

product causes undesirable side effects or may present a risk to the patient. Additionally, the FDA may require Risk Evaluation and Mitigation Strategies (REMS) to help ensure that the benefits of the drug outweigh its risks. A REMS may be required to include various elements, such as a medication guide or patient package insert, a communication plan to educate healthcare providers of the drug's risks, limitations on who may prescribe or dispense the drug, requirements that patients enroll in a registry or undergo certain health evaluations or other measures that the FDA deems necessary to ensure the safe use of the drug.

Discovery after approval of previously unknown problems with any of our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in actions such as:

- restrictions on our ability to conduct clinical trials, including full or partial clinical holds on ongoing or planned trials;
- restrictions on product manufacturing processes;
- restrictions on the marketing of a product;
- restrictions on product distribution;
- requirements to conduct post-marketing clinical trials;
- untitled or warning letters or other adverse publicity;
- withdrawal of products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- refusal to permit the import or export of our products;
- product seizure;
- fines, restitution or disgorgement of profits or revenue;
- refusal to allow us to enter into supply contracts, including government contracts;
- injunctions; or
- imposition of civil or criminal penalties.

If such regulatory actions are taken, the value of our company and our operating results will be adversely affected. Additionally, if the FDA, the EMA or any other comparable international regulatory agency withdraws its approval of a product that is or may be approved, we will be unable to generate revenue from the sale of that product in the relevant jurisdiction, our potential for generating positive cash flow will be diminished and the capital necessary to fund our operations will be increased. Accordingly, we continue to expend significant time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance, post-marketing studies and quality control.

If any of our third-party contractors fail to perform their responsibilities to comply with FDA rules and regulations, the marketing and sales of our products could be delayed and we may be subject to enforcement action, which could decrease our revenues.

Conducting our business requires us to manage relationships with third-party contractors. As a result, our success depends partially on the success of these third parties in performing their responsibilities to comply with FDA rules and regulations. Although we pre-qualify our contractors and we believe that they are fully capable of performing their contractual obligations, we cannot directly control the adequacy and timeliness of the resources and expertise that they apply to these activities.

If any of our partners or contractors fail to perform their obligations in an adequate and timely manner, or fail to comply with the FDA's rules and regulations, then the marketing and sales of our products could be delayed. The FDA may also take enforcement actions against us based on compliance issues identified with our contractors. If any of these events occur, we may incur significant liabilities, which could decrease our revenues. For example, sales and medical science liaison or MSL personnel, including contractors, must comply with FDA requirements for the advertisement and promotion of products.

Fast track designation by the FDA may not actually lead to a faster development or regulatory review or approval process and does not assure FDA approval of our product candidates.

If a product candidate is intended for the treatment of a serious or life-threatening condition and the product candidate demonstrates the potential to address unmet medical need for this condition, the sponsor may apply for FDA fast track designation. Fast track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a fast track product has opportunities for more frequent interactions with the review team during product development, and the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

However, fast track designation does not change the standards for approval and does not ensure that the product candidate will receive marketing approval or that approval will be granted within any particular timeframe. As a result, while the FDA has granted fast track designation to fostamatinib for the treatment of wAIHA and/or we may seek and receive fast track designation for our future product candidates, we may not experience a faster development process, review or approval compared to conventional FDA procedures. In addition, 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.

If we are unable to obtain regulatory approval to market products in the US and foreign jurisdictions, we will not be permitted to commercialize products we or our collaborative partners may develop.

We cannot predict whether regulatory clearance will be obtained for any product that we, or our collaborative partners, hope to develop. Satisfaction of regulatory requirements typically takes many years, is dependent upon the type, complexity and novelty of the product and requires the expenditure of substantial resources. Of particular significance to us are the requirements relating to research and development and testing.

Before commencing clinical trials in humans in the US, we, or our collaborative partners, will need to submit and receive approval from the FDA of an IND application. Clinical trials are subject to oversight by institutional review boards and the FDA and:

- must be conducted in conformance with the FDA's good clinical practices and other applicable regulations;
- must meet requirements for institutional review board oversight;
- must meet requirements for informed consent;
- are subject to continuing FDA and regulatory oversight;
- may require large numbers of test subjects; and
- may be suspended by us, our collaborators or the FDA at any time if it is believed that the subjects participating in these trials are being exposed to unacceptable health risks or if the FDA finds deficiencies in the IND or the conduct of these trials.

While we have stated that we intend to file additional INDs for future product candidates, this is only a statement of intent, and we may not be able to do so because we may not be able to identify potential product candidates. In addition, the FDA may not approve any IND we or our collaborative partners may submit in a timely manner, or at all.

Before receiving FDA approval to market a product, we must demonstrate with substantial clinical evidence that the product is safe and effective in the patient population and the indication that will be treated. Data obtained from preclinical and clinical activities are susceptible to varying interpretations that could delay, limit or prevent regulatory approvals. In addition, delays or rejections may be encountered based upon additional government regulation from future legislation or administrative action or changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. Failure to comply with applicable FDA or other applicable regulatory requirements may result in criminal prosecution, civil penalties, recall or seizure of products, total or partial suspension of production or injunction, adverse publicity, as well as other regulatory action against our potential products or us. Additionally, we have limited experience in conducting and managing the clinical trials necessary to obtain regulatory approval.

If regulatory approval of a product is granted, this approval will be limited to those indications or disease states and conditions for which the product is demonstrated through clinical trials to be safe and efficacious. We cannot assure you that any compound developed by us, alone or with others, will prove to be safe and efficacious in clinical trials and will meet all of the applicable regulatory requirements needed to receive marketing approval.

Outside the US, our ability, or that of our collaborative partners, to market a product is contingent upon receiving a marketing authorization from the appropriate regulatory authorities. This foreign regulatory approval process typically includes all of the risks and costs associated with FDA approval described above and may also include additional risks and costs, such as the risk that such foreign regulatory authorities, which often have different regulatory and clinical trial requirements, interpretations and guidance from the FDA, may require additional clinical trials or results for approval of a product candidate, any of which could result in delays, significant additional costs or failure to obtain such regulatory approval. There can be no assurance, however, that we or our collaborative partners will not have to provide additional information or analysis, or conduct additional clinical trials, before receiving approval to market product candidates.

We may be unable to expand our product pipeline, which could limit our growth and revenue potential.*

Our business is focused on the development and commercialization of novel small molecule drugs that significantly improve the lives of patients with hematologic disorders, cancer and rare immune diseases. In this regard, we are pursuing internal drug discovery efforts with the goal of identifying new product candidates to advance into clinical trials. Internal discovery efforts to identify new product candidates require substantial technical, financial and human resources. These internal discovery efforts may initially show promise in identifying potential product candidates, yet ultimately fail to yield product candidates for clinical development for a number of reasons. For example, potential product candidates may, on later stage clinical study, be shown to have inadequate efficacy, harmful side effects, suboptimal pharmaceutical profiles or other characteristics suggesting that they are unlikely to be commercially viable products.

Apart from our internal discovery efforts, our strategy to expand our development pipeline is also dependent on our ability to successfully identify and acquire or in-license relevant product candidates. In July 2022, we entered into a license and transition services agreement with Forma for an exclusive license to develop, manufacture and commercialize olutasidenib, Forma's proprietary inhibitor of mIDH1, for any uses worldwide, including for the treatment of AML and other malignancies. Forma has submitted an NDA for olutasidenib to the FDA and the PDUFA action date is February 15, 2023. If approved, olutasidenib has the opportunity to be our second commercial product and is highly synergistic with our existing hematology-oncology focused commercial and medical affairs infrastructure. The in-licensing and acquisition of product candidates is a highly competitive area, and many other companies are pursuing the same or similar product candidates to those that we may consider attractive. In particular, larger companies with more well-established and diverse revenue streams may have a competitive advantage over us due to their size, financial resources and more extensive clinical development and commercialization capabilities. Furthermore, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We may also be unable to in-license or acquire additional relevant product candidates on acceptable terms that would allow us to realize an appropriate return on our investment. If we are unable to develop suitable product candidates through internal discovery efforts, whether due to the impacts of the ongoing COVID-19 pandemic or otherwise, or if we are unable to successfully obtain rights to additional suitable product candidates, our business and prospects for growth could suffer. Even if we succeed in our efforts to obtain rights to suitable product candidates, the competitive business environment may result in higher acquisition or licensing costs, and our investment in these potential products will remain subject to the inherent risks

associated with the development and commercialization of new medicines. In certain circumstances, we may also be reliant on the licensor for the continued development of the in-licensed technology and their efforts to safeguard their underlying intellectual property.

With respect to acquisitions, we may not be able to integrate the target company successfully into our existing business, maintain the key business relationships of the target, or retain key personnel of an acquired business. Furthermore, we could assume unknown or contingent liabilities or incur unanticipated expenses. Any acquisitions or investments made by us also could result in our spending significant amounts, issuing dilutive securities, assuming or incurring significant debt obligations and contingent liabilities, incurring large one-time expenses and acquiring intangible assets that could result in significant future amortization expense and significant write-offs, any of which could harm our operating results.

We have obtained orphan drug designation from the FDA for fostamatinib for the treatment of ITP and wAIHA, but we may not be able to obtain or maintain orphan drug designation or exclusivity for fostamatinib for the treatment of ITP, wAIHA or our other product candidates, or we may be unable to maintain the benefits associated with orphan drug designation, including the potential for market exclusivity.*

We have obtained orphan drug designation in the US for fostamatinib for the treatment of ITP and wAIHA. We may seek orphan drug designation for other product candidates in the future. Under the Orphan Drug Act, the FDA may grant orphan drug designation to a drug or biologic intended to treat a rare disease or condition, which is defined as one occurring in a patient population of fewer than 200,000 in the US, or a patient population greater than 200,000 in the US where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the US. In the US, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. In addition, if a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including a full NDA, to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity. At this time, we do not have nor will we seek to apply for orphan drug designation in the EU or the UK in the foreseeable future.

We cannot assure you that any future application for orphan drug designation with respect to any other product candidate will be granted. If we are unable to obtain orphan drug designation with respect to other product candidates in the US, we will not be eligible to obtain the period of market exclusivity that could result from orphan drug designation or be afforded the financial incentives associated with orphan drug designation. Even though we have received orphan drug designation for fostamatinib for the treatment of ITP and wAIHA in the US, we may not be the first to obtain marketing approval for the orphan-designated indication due to the uncertainties associated with developing pharmaceutical products or we might not maintain our orphan drug designation. In addition, exclusive marketing rights in the US for fostamatinib for the treatment of ITP, wAIHA or any future product candidate may be limited if we seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties can be approved for the same condition. Even after an orphan product is approved, the FDA can subsequently approve the same drug with the same active moiety for the same condition if the FDA concludes that the later drug is safer, more effective, or makes a major contribution to patient care. Orphan drug designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

In addition, Congress is considering updates to the orphan drug provisions of the FDCA in response to a recent 11th Circuit decision. Any changes to the orphan drug provisions could change our opportunities for, or likelihood of success in obtaining, orphan drug exclusivity and would materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

Risks Related to Commercialization

Our prospects are highly dependent on our first commercial product, TAVALISSE. To the extent that the commercial success of TAVALISSE in the US is diminished or is not commercially successful, our business, financial condition and results of operations may be adversely affected, and the price of our common stock may decline.*

TAVALISSE is our only drug that has been approved for sale in the US and Europe for patients with chronic ITP. We are focusing a significant portion of our activities and resources on fostamatinib, and we believe our prospects are highly dependent on, and a significant portion of the value of our company relates to, our ability to sustain successful commercialization of TAVALISSE in the US. We have entered into an exclusive commercialization agreement with Grifols to commercialize fostamatinib in Europe.

Sustained successful commercialization of TAVALISSE is subject to many risks and uncertainties, including the impact of the COVID-19 pandemic on the successful commercialization in the US, as well as the successful commercialization efforts for TAVLESSE in Europe through our collaborative partner, Grifols. Prior to TAVALISSE, we have never, as an organization, launched or commercialized a product, and there is no guarantee that we will be able to continue to do so successfully with fostamatinib for its approved indication. In addition, Grifols, is responsible for the commercial launch of TAVLESSE in Europe. Although Grifols has launched TAVLESSE in the UK, Germany, France, Italy, Spain, the Czech Republic and Norway and continues a phased rollout across the rest of Europe which is expected to include Denmark, Finland and Sweden, we cannot be certain if Grifols will be successful in launching TAVLESSE in additional territories in Europe that it may pursue, or continue to be successful in commercializing and marketing in any such regions. There are numerous examples of unsuccessful product launches and failures to meet high expectations of market potential, including by pharmaceutical companies with more experience and resources than us.

As we continue to build out our commercial team, there are many factors that could cause the commercialization of TAVALISSE to be unsuccessful, including a number of factors that are outside our control. The commercial success of TAVALISSE depends on the extent to which patients and physicians accept and adopt TAVALISSE for patients with chronic ITP who have had an insufficient response to a previous treatment. We also do not know how physicians, patients and payors will respond to our future price increases of TAVALISSE. Physicians may not prescribe TAVALISSE and patients may be unwilling to use TAVALISSE if coverage is not provided or reimbursement is inadequate to cover a significant portion of the cost. TAVALISSE competes, and may in the future compete, with currently existing therapies, including generic drugs, and products currently under development. Our competitors, particularly large pharmaceutical companies, may deploy more resources to market, sell and distribute their products. If our efforts are not appropriately resourced to adequately promote our products, the commercial potential of our sales may be diminished. Additionally, any negative development for fostamatinib in clinical development in additional indications, such as in the clinical trials of fostamatinib in COVID-19 patients, may adversely impact the commercial results and potential of fostamatinib. Thus, significant uncertainty remains regarding the commercial potential of fostamatinib.

Market acceptance of fostamatinib will depend on a number of factors, including:

- the timing of market introduction of the product as well as competitive products;
- the clinical indications for which the product is approved;
- acceptance by physicians, the medical community and patients of the product as a safe and effective treatment;
- impacts due to the evolving effects of the COVID-19 pandemic;
- the ability to distinguish safety and efficacy from existing, less expensive generic alternative therapies, if any;
- the convenience of prescribing, administrating and initiating patients on the product and the length of time the patient is on the product;

- the potential and perceived value and advantages of the product over alternative treatments;
- the cost of treatment in relation to alternative treatments, including any similar generic treatments;
- pricing and the availability of coverage and adequate reimbursement by third-party payors and government authorities;
- a positive HTA assessment concluding that the product is cost-effective and the HTA bodies issuing a positive recommendation for the use of the product as a first or second line of treatment for the granted therapeutic indication;
- the prevalence and severity of adverse side effects; and
- the effectiveness of sales and marketing efforts.

If we are unable to sustain anticipated level of sales growth from TAVALISSE, or if we fail to achieve anticipated product royalties and collaboration milestones, we may need to reduce our operating expenses, access other sources of cash or otherwise modify our business plans, which could have a negative impact on our business, financial condition and results of operations. For example, during 2021, we experienced lower than anticipated sales of TAVALISSE due to continuing impacts of physician and patient access issues created by the COVID-19 pandemic. From time to time, our net product sales are negatively impacted by the decrease in level of inventories remaining at our distribution channels.

We also may not be successful entering into arrangements with third parties to sell and market one or more of our product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, including Kissei's development and commercialization of fostamatinib in all indications in Japan, China, Taiwan, and the Republic of Korea, Grifols' commercialization of fostamatinib in Europe and Turkey, Medison for future commercialization of fostamatinib in Canada and Israel, and Knight for commercialization of fostamatinib in Latin America. As a consequence of our license agreements with Kissei, Grifols, Medison and Knight, we rely heavily upon their regulatory, commercial, medical affairs, market access and other expertise and resources for commercialization of fostamatinib in their respective territories outside of the US. We cannot control the amount of resources that our partners dedicate to the commercialization of fostamatinib, and our ability to generate revenues from the commercialization of fostamatinib by our partners depends on their ability to achieve market acceptance of fostamatinib in its approved indications in their respective territories.

Furthermore, foreign sales of fostamatinib by our partners could be adversely affected by the imposition of governmental controls, political and economic instability, outbreaks of pandemic diseases, such as the COVID-19 pandemic, trade restrictions or barriers and changes in tariffs and escalating global trade and political tensions. For example, the ongoing COVID-19 pandemic has resulted in increased travel restrictions and extended shutdowns of certain businesses in the US and around the world. If our collaborators are unable to successfully complete clinical trials, delay commercialization of fostamatinib or do not invest the resources necessary to successfully commercialize fostamatinib in international territories where it has been approved, this could reduce the amount of revenue we are due to receive under these license agreements, resulting in harm to our business and operations. If we do not establish and maintain sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Even if we, or any of our collaborative partners, are able to continue to commercialize TAVALISSE or any product candidate that we, or they, develop, the product may become subject to unfavorable pricing regulations, third-party payor reimbursement practices or labeling restrictions, all of which may vary from country to country and any of which could harm our business.

The commercial success of any product for which we have obtained regulatory approval, or for which we obtain regulatory approval in the future will depend substantially on the extent to which the costs of our product or product candidates are or will be paid by third-party payors, including government health care programs and private health insurers. There is a significant trend in the health care industry by public and private payers to contain or reduce their costs, including by taking the following steps, among others: decreasing the portion of costs payers will cover, ceasing to provide full payment for certain products depending on outcomes or not covering certain products at all. If payers

implement any of the foregoing with respect to our products, it would have an adverse impact on our revenue and results of operations. If coverage is not available, or reimbursement is limited, we, or any of our collaborative partners, may not be able to successfully commercialize TAVALISSE or any of our product candidates in some jurisdictions. Even if coverage is provided, the approved reimbursement amount may not be at a rate that covers our costs, including research, development, manufacture, sale and distribution. In the US, no uniform policy of coverage and reimbursement for products exists among third-party payors; therefore, coverage and reimbursement levels for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that may require us to provide scientific, clinical or other support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved drugs. Marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed, which could delay market entry (or, if pricing is not approved, we may be unable to sell at all in a country where we have received regulatory approval for a product. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some countries, the proposed pricing for a drug must be approved before it may be lawfully marketed). In addition, authorities in some countries impose additional obligations, such as HTAs, which assess the performance of a drug in comparison with its cost. The outcome of HTA assessments is judged on a national basis and some payers may not reimburse the use of our products or may reduce the rate of reimbursement for our products and as a result, revenue from such products may decrease.

In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we, or any of our collaborative partners, might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay commercial launch of the product, possibly for lengthy time periods, which may negatively impact the revenues we are able to generate from the sale of the product in that country. In particular, we cannot predict to what extent the evolving effects of the COVID-19 pandemic, depending on its scale and duration, may continue to disrupt global healthcare systems and access to our products or result in a widespread loss of individual health insurance coverage due to unemployment, a shift from commercial payor coverage to government payor coverage, or an increase in demand for patient assistance and/or free drug programs, any of which would adversely affect access to and demand for our products and our net sales. Adverse pricing limitations may also hinder our ability or the ability of any future collaborators to recoup our or their investment in one or more product candidates, even if our product candidates obtain marketing approval. Further, even if favorable coverage and reimbursement status is attained for one or more products for which we or our collaborative partners receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Therefore, our ability, and the ability of any of our collaborative partners, to successfully commercialize TAVALISSE or any of our product candidates will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from third-party payors.

Additionally, the labeling ultimately approved for any of our product candidates for which we have or may obtain regulatory approval may include restrictions on their uses and may be subject to ongoing FDA or international regulatory authority requirements governing the labeling, packaging, storage, distribution, safety surveillance, advertising, promotion, record-keeping and reporting of safety and other post-market information. If we or any of our collaborative partners do not timely obtain or comply with the labeling approval by the FDA or international regulatory authorities on any of our product candidates, it may delay or inhibit our ability to successfully commercialize our products and generate revenues.

If we are unable to successfully market and distribute TAVALISSE and retain experienced sales force, our business will be substantially harmed.*

We currently have limited experience in marketing and selling pharmaceutical products. As a result, we will be required to expend significant time and resources to maintain a sales force that is credible and compliant with applicable laws in marketing TAVALISSE for patients with chronic ITP who have had an insufficient response to a previous treatment. In addition, we must continually train our sales force to ensure that an appropriate and compliant message

about TAVALISSE is being delivered. If we are unable to effectively train our sales force and equip them with compliant and effective materials, including medical and sales literature to help them appropriately inform and educate health care providers regarding the potential benefits and proper administration of TAVALISSE, our efforts to successfully commercialize TAVALISSE could be put in jeopardy, which would negatively impact our ability to generate product revenues.

We have established our distribution, sales, marketing and market access capabilities, all of which will be necessary to successfully commercialize TAVALISSE. As a result, we will be required to expend significant time and resources to market, sell, and distribute TAVALISSE to hematologists and hematologists-oncologists. There is no guarantee that the marketing strategies we have developed, including our virtual strategies in response to the restrictions and limitations resulting from the COVID-19 pandemic, or the distribution, sales, marketing and market access capabilities that we have developed will be successful. Particularly, we are dependent on third-party logistics, specialty pharmacies and distribution partners in the distribution of TAVALISSE. If they are unable to perform effectively or if they do not provide efficient distribution of the medicine to patients, our business may be harmed. In addition, we actively participate in medical conferences and exhibits, such as the ASCO and ASH Annual Meeting & Exposition that are significant opportunities for us to educate physicians and key opinion leaders about TAVALISSE. ASCO was held in Chicago, Illinois as well as virtually in June 2022, and ASH is scheduled to take place in New Orleans, Louisiana as well as virtually in December 2022, However, it is uncertain if in the future other key conferences will be held live, virtually, postponed or cancelled. Such disruptions may prevent us from effectively educating the prescribing physicians and key opinion leaders about TAVALISSE which would negatively impact utilization of TAVALISSE and our results of operations and growth prospects could be adversely affected.

Maintaining our sales, marketing, market access and product distribution capabilities requires significant resources, and there are numerous risks involved with managing our commercial team, including our potential inability to successfully train, retain and incentivize adequate numbers of qualified and effective sales and marketing personnel. We are also competing for talent with numerous commercial and pre-commercial-stage oncology-focused biotechnology companies seeking to build out their commercial organizations, as well as other large pharmaceutical organizations that have extensive, well-funded and more experienced sales and marketing operations, and we may be unable to maintain or adequately scale our commercial organization as a result of such competition. If we cannot maintain effective sales, marketing, market access and product distribution capabilities, whether as a result of the ongoing COVID-19 pandemic or otherwise, we may be unable to realize the commercial potential of TAVALISSE. Also, to the extent that the commercial opportunities for TAVALISSE grow over time, we may not properly judge the requisite size and experience of our current commercialization teams or the level of distribution necessary to market and sell TAVALISSE, which could have an adverse impact on our business, financial condition and results of operations.

We may not be able to successfully develop or commercialize our product candidates if problems arise in the clinical testing and approval process.

The activities associated with the research, development and commercialization of fostamatinib and other product candidates in our pipeline must undergo extensive clinical trials, which can take many years and require substantial expenditures, subject to extensive regulation by the FDA and other regulatory agencies in the US and by comparable authorities in other countries. The process of obtaining regulatory approvals in the US and other foreign jurisdictions is expensive, and lengthy, if approval is obtained at all.

Our clinical trials may fail to produce results satisfactory to the FDA or regulatory authorities in other jurisdictions. The regulatory process also requires preclinical testing, and data obtained from preclinical and clinical activities are susceptible to varying interpretations. The FDA has substantial discretion in the approval process and may refuse to approve any NDA or supplemental NDA and decide that our data is insufficient for approval and require additional preclinical, clinical or other studies. Varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent regulatory approval of fostamatinib for any individual, additional indications. For example, in June 2022, we announced that the top-line results from our Phase 3 study in wAIHA did not demonstrate statistical significance in the primary efficacy endpoint of durable hemoglobin response in the overall study population. While we conducted an in-depth analysis of these data to better understand differences in patient characteristics and outcomes and submitted these findings to the FDA, in October 2022, we announced that we received guidance from the FDA's of these findings. Based on this guidance, we do not expect to file an sNDA for wAIHA at this time.

Due to the ongoing COVID-19 pandemic, it is also possible that we could experience delays in the timing of

our interactions with regulatory authorities due to absenteeism by governmental employees or the diversion of regulatory authority efforts and attention to approval of other therapeutics or other activities related to COVID-19 or other public health emergencies, which could delay or limit our ability to make planned regulatory submissions or develop and commercialize our product candidates on anticipated timelines.

In addition, delays or rejections may be encountered based upon changes in regulatory policy for product approval during the period of product development and regulatory agency review, which may cause delays in the approval or rejection of an application for fostamatinib or for our other product candidates.

Commercialization of our product candidates depends upon successful completion of extensive preclinical studies and clinical trials to demonstrate their safety and efficacy for humans. Preclinical testing and clinical development are long, expensive and uncertain processes.

In connection with clinical trials of our product candidates, we may face the following risks among others:

- the product candidate may not prove to be effective;
- the product candidate may cause harmful side effects;
- the clinical results may not replicate the results of earlier, smaller trials;
- we or third parties with whom we collaborate, may be significantly impacted by the evolving impacts of the ongoing COVID-19 pandemic;
- we, or the FDA or similar foreign regulatory authorities, may delay, terminate or suspend the trials;
- our results may not be statistically significant;
- patient recruitment and enrollment may be slower than expected;
- patients may drop out of the trials or otherwise not enroll; and
- regulatory and clinical trial requirements, interpretations or guidance may change.

We do not know whether we will be permitted to undertake clinical trials of potential products beyond the trials already concluded and the trials currently in process. It will take us or our collaborative partners several years to complete any such testing, and failure can occur at any stage of testing. Interim results of trials do not necessarily predict final results, and acceptable results in early trials may not be repeated in later trials. A number of companies in the pharmaceutical industry, including biotechnology companies, have suffered significant setbacks in advanced clinical trials, even after achieving promising results in earlier trials.

General Risk Factors

Shareholder activism could cause material disruption to our business.

Publicly traded companies have increasingly become subject to campaigns by activist investors advocating corporate actions such as actions related to environment, social and governance (ESG) matters, financial restructuring, increased borrowing, dividends, share repurchases and even sales of assets or the entire company. Responding to proxy contests and other actions by such activist investors or others in the future could be costly and time-consuming, disrupt our operations and divert the attention of our Board of Directors and senior management from the pursuit of our business strategies, which could adversely affect our results of operations and financial condition.

Anti-takeover provisions in our charter documents and under Delaware law may make an acquisition of us, which may be beneficial to our stockholders, more difficult.

Provisions of our amended and restated certificate of incorporation and bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us, even if doing so would benefit our stockholders. These provisions:

- establish that members of the board of directors may be removed only for cause upon the affirmative vote of stockholders owning a majority of our capital stock;
- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- limit who may call a special meeting of stockholders;
- prohibit stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders;
- establish advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at stockholder meetings;
- provide for a board of directors with staggered terms; and
- provide that the authorized number of directors may be changed only by a resolution of our board of directors.

In addition, Section 203 of the Delaware General Corporation Law (DGCL), which imposes certain restrictions relating to transactions with major stockholders, may discourage, delay or prevent a third party from acquiring us.

Our bylaws designate a state or federal court located within the State of Delaware as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our current or former directors, officers, stockholders, or other employees.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us under Delaware law, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, or other employee of the Company to us or our stockholders, (iii) any action asserting a claim against us or any of our directors, officers, or other employees arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation and bylaws (as either may be amended from time to time), (iv) any action asserting a claim against us governed by the internal affairs doctrine, or (v) any other action asserting an "internal corporate claim," as defined under Section 115 of the DGCL. The forgoing provisions do not apply to any claims arising under the Securities Act and, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our current or former directors, officers, or other employees, which may discourage lawsuits with respect to such claims. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find the choice of forum provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Increasing use of social media could give rise to liability and may harm our business.

We and our employees are increasingly utilizing social media tools and our website as a means of communication. Despite our efforts to monitor evolving social media communication guidelines and comply with applicable laws and regulations, there is risk that the unauthorized use of social media by us or our employees to communicate about our products or business, sharing of publications in unintended audiences in other jurisdictions, or any inadvertent promotional activity or disclosure of material, nonpublic information through these means, may cause us to be found in violation of applicable laws and regulations, which may give rise to liability and result in harm to our business. In addition, there is also risk of inappropriate disclosure of sensitive information, which could result in significant legal and financial exposure and reputational damages that could potentially have an adverse impact on our business, financial condition and results of operations. Furthermore, negative posts or comments about us or our products on social media could seriously damage our reputation, brand image and goodwill.

Our research and development efforts will be seriously jeopardized if we are unable to attract and retain key employees and relationships.

Our success depends on the continued contributions of our principal management and scientific personnel and on our ability to develop and maintain important relationships with leading academic institutions, scientists and companies in the face of intense competition for such personnel. In particular, our research programs depend on our ability to attract and retain highly skilled chemists, other scientists, and development, regulatory and clinical personnel. If we lose the services of any of our key personnel, our research and development efforts could be seriously and adversely affected. Our employees can terminate their employment with us at any time.

Global economic conditions could adversely impact our business.

The US government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the US government has initiated or is considering imposing tariffs on certain foreign goods. Related to this action, certain foreign governments, including China, have instituted or are considering imposing tariffs on certain US goods. It remains unclear what the US Administration or foreign governments will or will not do with respect to tariffs or other international trade agreements and policies. A trade war or other governmental action related to tariffs or international trade agreements or policies has the potential to disrupt our research activities, affect our suppliers and/or the US economy or certain sectors thereof and, thus, could adversely impact our businesses.

The transition away from the LIBOR could affect the value of certain short-term investments.*

The UK's Financial Conduct Authority (FCA), which regulates LIBOR, has announced plans to phase out the use of LIBOR discontinued as a floating rate benchmark. The date of discontinuation will vary depending on the LIBOR currency and tenor. The FCA has announced that, after specified dates, LIBOR settings will cease to be provided by any administrator or will no longer be representative. Those dates are: (i) June 30, 2023, in the case of the principal US dollar LIBOR tenors (overnight and one, three, six and 12 months); and (ii) December 31, 2021, in all other cases (i.e., one-week and two-month US dollar LIBOR and all tenors of non-US dollar LIBOR). LIBOR has been the principal floating rate benchmark in the financial markets, and its discontinuation has affected and will continue to affect the financial markets generally and may also affect our operations specifically.

The FCA and certain US regulators have stated that, despite expected publication of US dollar LIBOR through June 30, 2023, no new contracts using US dollar LIBOR should be entered into after December 31, 2021. Regulators have also stated that, for certain purposes, market participants should transition away from US. dollar LIBOR sooner. Regulatory authorities and legislative bodies have taken other actions related to the LIBOR discontinuation and are expected to continue to do so. There is no assurance as to the consequences of any such statements and other actions.

Although the foregoing reflects the likely timing of the LIBOR discontinuation and certain consequences, there is no assurance that LIBOR, of any particular currency or tenor, will continue to be published until any particular date or in any particular form, and there is no assurance regarding the consequences of the LIBOR discontinuation.

We have certain short-term investments which include financial instruments subject to LIBOR. Our debt facility with MidCap was subject to LIBOR prior to the Third Amendment to the Credit Agreement entered in July 2022, whereby the interest rate benchmark was changed from LIBOR to SOFR (as defined in the amended Credit Agreement). There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on certain instruments into which we may enter in the future are not known. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in reductions in the value of certain instruments or the effectiveness of related transactions such as hedges, increased borrowing costs, uncertainty under applicable documentation, or difficult and costly consent processes. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, result in expenses, difficulties, complications or delays in connection with future financing efforts, which could have an adverse impact on our business, financial condition and results of operations.

Our facilities are located near known earthquake fault zones, and the occurrence of an earthquake or other catastrophic disaster could cause damage to our facilities and equipment, which could require us to cease or curtail operations.

Our facilities are located in the San Francisco Bay Area near known earthquake fault zones and are vulnerable to significant damage from earthquakes. We are also vulnerable to damage from other types of disasters, including fires, floods, power loss, communications failures and similar events. If any disaster were to occur, our ability to operate our business at our facilities would be seriously, or potentially completely, impaired, and our research could be lost or destroyed. In addition, the unique nature of our research activities and of much of our equipment could make it difficult for us to recover from a disaster. The insurance we maintain may not be adequate to cover our losses resulting from disasters or other business interruptions.

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

None.

Item 6. Exhibits

The exhibits listed on the accompanying index to exhibits are filed or incorporated by reference (as stated therein) as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation. (1)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation. (2)
3.3	Amended and Restated Bylaws. (3)
4.1	Form of warrant to purchase shares of common stock. (4)
4.2	Specimen Common Stock Certificate. (5)
4.3	Warrant issued to HCP BTC, LLC for the purchase of shares of common stock. (6)
10.1#^	License and Transition Services Agreement with Forma Therapeutics, Inc. dated July 27, 2022.
10.2#^	Third Amendment to the Credit and Security Agreement with MidCap Financial Trust, dated July 27, 2022.
31.1#	Certification required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
31.2#	Certification required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.1*#	Certification required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350).
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Filed herewith

^ Certain marked information has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private and confidential.

* *The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the registrant for purposes of Section 18 of the Exchange Act.*

(1) Filed as an exhibit to Rigel's Current Report on Form 8-K filed on May 29, 2012, and incorporated herein by reference.

(2) Filed as an exhibit to Rigel's Current Report on Form 8-K filed on May 18, 2018, and incorporated herein by reference.

(3) Filed as an exhibit to Rigel's Current Report on Form 8-K filed on November 3, 2022, and incorporated herein by reference.

(4) Filed as an exhibit to Rigel's Registration Statement on Form S-1 (No. 333-45864), filed on September 15, 2000, as amended, and incorporated herein by reference.

(5) Filed as an exhibit to Rigel's Current Report on Form 8-K filed on June 24, 2003, and incorporated herein by reference.

(6) Filed as an exhibit to Rigel's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, and incorporated herein 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.

RIGEL PHARMACEUTICALS, INC.

By: /s/ RAUL R. RODRIGUEZ
Raul R. Rodriguez
Chief Executive Officer
(Principal Executive Officer)

Date: November 3, 2022

By: /s/ DEAN L. SCHORNO
Dean L. Schorno
Chief Financial Officer
(Principal Financial Officer)

Date: November 3, 2022

Exhibit 10.1

LICENSE AND TRANSITION SERVICES AGREEMENT

by and between

RIGEL PHARMACEUTICALS, INC.,

and

FORMA THERAPEUTICS, INC.

July 27, 2022

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SCHEDULES

LICENSE AND TRANSITION SERVICES AGREEMENT

THIS LICENSE AND TRANSITION SERVICES AGREEMENT (this "**Agreement**"), entered into as of July 27, 2022 (the "**Effective Date**"), is entered into by and between Rigel Pharmaceuticals, Inc., a corporation organized and existing under the laws of the state of Delaware ("**Company**"), and Forma Therapeutics, Inc. a corporation organized and existing under the laws of the state of Delaware ("**Forma**").

RECITALS

WHEREAS, Forma owns or otherwise controls certain technology and information relating to Olutasidenib and the Licensed Product (as each term is defined below);

WHEREAS, Olutasidenib is an investigational agent that Forma studied in a registration enabling study for patients with relapsed/refractory acute myeloid leukemia and in a Phase I study for patients with glioma;

WHEREAS, Forma has filed an NDA with the FDA for the Licensed Product for the Initial Indication (as each term is defined below);

WHEREAS, Company is a biopharmaceutical company that conducts research, development, manufacturing and commercialization of pharmaceutical products in the United States; and

WHEREAS, Company desires to obtain an exclusive license to Develop, Manufacture and Commercialize Licensed Products in the Field in the Territory (as each term is defined below), and Forma desires to grant such license, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants and conditions contained in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS

Unless specifically set forth to the contrary herein, the following terms, whether used in the singular or plural, shall have the respective meanings set forth below:

1.1 "**5EU**" means the United Kingdom, Germany, France, Spain, and Italy.

1.2 **"Acquired Business**" has the meaning set forth in Section 15.15.

1.3 "**Acquirer**" has the meaning set forth in Section 15.14.2.

1.4 "**Action**" has the meaning set forth in Section 15.3.1.

1.5 "**Active Ingredient**" means a component in a pharmaceutical product that provides pharmacological activity in the mitigation or treatment of a disease or condition. Formulation components of a pharmaceutical product, such as coatings, stabilizers, excipients or solvents, adjuvants, controlled release technologies, and drug delivery vehicles, shall not be deemed to be Active Ingredients.

1.6 "**Affiliate**" means, with respect to a Person, any other Person which controls, is controlled by, or is under common control with the applicable Person. For purposes of this definition, "control" means: (a) in the case of corporate entities, direct or indirect ownership of at least fifty percent (50%) of the stock or shares entitled to vote for the election of directors, or otherwise having the power to control or direct the affairs of such Person; and (b) in the case of non-corporate entities, direct or indirect ownership of at least fifty percent (50%) of the equity interest or the power to direct the management and policies of such non-corporate entities.

1.7 "**Agreement**" has the meaning set forth in the Preamble.

1.8 "**AML**" means acute myeloid leukemia.

1.9 "**AML Clinical Study**" means the Phase 1/2 AML Clinical Study - 2102-HEM-101 (ClinicalTrials.gov identifier: NCT02719574) described in the Transition Plan.

1.10 "**Anti-Corruption Laws**" means any law or regulation in a U.S. or any non U.S. jurisdiction regarding bribery or any other corrupt activity, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the U.K. Bribery Act 2010, as amended.

1.11 "**Approved NDA**" means any FDA-approved NDA for the Licensed Product in the Initial Indication in the U.S.

1.12 "**Bankrupt Party**" has the meaning set forth in Section 14.4.7.

1.13 "**Business Day**" means a day on which banking institutions in San Francisco, California, and New York City, New York are open for business, excluding any Saturday or Sunday.

1.14 "**Calendar Month**" means the period beginning on the Effective Date and ending on the last day of the calendar month in which the Effective Date falls, and thereafter each successive calendar month ending on the last day of each such month; provided that the final Calendar Month shall end on the last day of the Term.

1.15 "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31 of each calendar year, provided that: (a) the first Calendar Quarter of the Term shall begin on the Effective Date and end on the first to occur of March 31, June 30, September 30 or December 31 thereafter and the last Calendar Quarter of the Term shall end on the last day of the Term; and (b) the first Calendar Quarter of a Royalty Term for a Licensed Product shall begin on the First Commercial Sale of such Licensed Product in such country and end on the first to occur of March 31, June 30, September 30 or December 31 thereafter and the last Calendar Quarter of a Royalty Term for a Licensed Product shall end on the last day of such Royalty Term.

1.16 "**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31, provided that: (a) the first Calendar Year of the Term shall begin on the Effective Date and end on the first December 31 thereafter and the last Calendar Year of the Term shall end on the last day of the Term; and (b) the first Calendar Year of a Royalty Term for a Licensed Product shall begin on the First Commercial Sale of such Licensed Product in such country and end on the first December 31 thereafter and the last Calendar Year of a Royalty Term for a Licensed Product shall end on the last day of such Royalty Term.

1.17 "**cGMP**" or "**current Good Manufacturing Practices**" means the then-current good manufacturing practices that apply to the manufacturing, including clinical or commercial supply, of any Licensed Product or component thereof, including, as applicable, the U.S. regulations set forth in under Title 21 of the Code of Federal Regulations (C.F.R.), Parts 4, 210 and 211, as may be amended from time-to-time, and analogous Laws or regulations administered or promulgated by applicable Regulatory Authorities in any other relevant country or jurisdiction, as may be amended from time to time, and to the extent such standards are not less stringent than U.S. cGMP standards.

1.18 "**Clinical Study**" or "**Clinical Studies**" means any human clinical study of a Licensed Product.

1.19 "**CMC**" means chemistry, manufacturing and controls.

1.20 "**CMC Data**" means any data included in the "Chemistry, Manufacturing and Controls" portion of a Regulatory Filing or in any supporting development reports thereto, in each case, with respect to any Licensed Product in any country in the world.

1.21 "**COGS**" means, with respect to a Licensed Product or the Active Ingredient Olutasidenib supplied to Company pursuant to this Agreement, the actual Out-of-Pocket Costs paid by Forma to a Third Party manufacturer

for the Manufacture and supply of the Licensed Product or the Active Ingredient Olutasidenib without mark-up as set forth in the agreement between Forma and such Third Party manufacturer.

1.22 "**Combination Product**" means a product that includes a Licensed Product and at least one (1) additional Active Ingredient other than Olutasidenib that is either co-formulated or co-packaged with the Licensed Product and sold together for a single price.

1.23 "**Commercialization**" or "**Commercialize**" means the marketing, promotion, sale (and offer for sale or contract to sell), distribution, importation, exportation or other commercial exploitation (including Pricing and Reimbursement Approvals activities) for a Licensed Product in the Territory.

1.24 "**Commercially Reasonable Efforts**" means, with respect to a Party's obligations that relate to the achievement of an objective related to a Licensed Product, at any given time as the case may be, those diligent good faith efforts, expertise and resources used by a similarly situated entity in the pharmaceutical industry having similar resources and expertise as such Party, for such similar entity's own products (including internally developed, acquired and in-licensed products) of a similar modality with similar commercial potential at a similar stage in their lifecycle (assuming continuing development of such product), taking into consideration the proprietary position, strength and duration of patent protection and anticipated market exclusivity, competitive market conditions, profitability, and financial return (including Third Party costs and expenses), issues of safety and efficacy, product profile, difficulty in developing or manufacturing, the regulatory requirements involved; and all other relevant legal, scientific, technical, operational and commercial factors.

1.25 "**Company**" has the meaning set forth in the Preamble.

1.26 "**Company Indemnitees**" has the meaning set forth in Section 12.2.

1.27 "**Company Trademarks**" has the meaning set forth in Section 13.8.1(b).

1.28 "**Competing Infringement**" has the meaning set forth in Section 13.3.1.

1.29 ***"Competing Program"*** has the meaning set forth in Section 15.15**.**

1.30 "**Confidential Information**" means any and all confidential or proprietary information and data, including Forma Technology and Joint Technology, and all other scientific, pre-clinical, clinical, regulatory, manufacturing, marketing, financial and commercial information or data, whether communicated in writing or orally or by any other method, which is provided by one Party to the other Party in connection with this Agreement. Forma Technology is the Confidential Information of Forma. Joint Technology and the terms of this Agreement are the Confidential Information of both Parties.

1.31 "**Control**", "**Controls**" or "**Controlled by**" means, with respect to any intellectual property right (including any Patent Right or Know-How), the possession of (whether by ownership or license, other than pursuant to this Agreement) the ability of a Person or its Affiliates to assign, transfer, or grant access to, or to grant a license or sublicense of, such right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party existing at the time such Person would be required hereunder to assign, transfer or grant another Person such access or license or sublicense. Notwithstanding the foregoing, with respect to any Patent Right, Know-How, Regulatory Approvals or other intellectual property right acquired or in-licensed by Forma for which Forma would be required to make payments to any Third Party in connection with the license or access granted to Company under this Agreement ("**Forma Third Party In-License**"), such intellectual property shall be treated as "Controlled" by Forma to the extent that, and only to the extent that and for so long as, Company agrees and does promptly pay to Forma all such applicable payments to Forma arising out of the grant and exercise of the license to Company hereunder as further described in Section 9.1.4.

1.32 "**Cover**", "**Covers**" or "**Covered**" means, as to a compound or product and a Patent Right, that, in the absence of a license granted under, or ownership of, such Patent Right, the using, selling, offering for sale or importation of such compound or product would infringe any claim of such Patent Right.

1.33 "**D&R Milestone 2**" means [***].

1.34 "**Development,**" "**Developing**" or "**Develop**" means, with respect to Licensed Products, the research and development activities conducted before or after obtaining Regulatory Approval that are reasonably related to or leading to the development, preparation and submission of data and information to a Regulatory Authority for the purpose of obtaining, supporting, maintaining, or expanding a Regulatory Approval, including but not limited to all activities related to pharmacokinetic profiling, design and conduct of pre-clinical development, non-clinical development, pre-clinical studies, in vitro studies, Clinical Studies, other studies and scientific activities ordinarily conducted in the pharmaceutical industry in the Territory as a prerequisite to or in connection with a Clinical Study, regulatory affairs, statistical analysis, report writing and Regulatory Filing creation and submission, including (a) fulfilling Post-Approval Commitments and (b) conducting studies that will result in an amendment or supplement to the NDA, including the indication(s) included in the product labelling for the Licensed Product.

1.35 "**Development Plan**" has the meaning set forth in Section 3.2.

1.36 "**Effective Date**" has the meaning set forth in the preamble.

1.37 "**Ex-US**" means all territories and countries of the world other than the U.S.

1.38 "**Existing Inventory**" means (a) Forma's inventory of Licensed Product existing as of the Effective Date, (b) the Process Validation Batches of Licensed Product, and (c) any remaining Olutasidenib, all of which are described on Schedule 1.38.

1.39 "**FD&C Act**" means the Federal Food, Drug, and Cosmetic Act, as amended, and any regulations promulgated by the FDA thereunder.

1.40 "**FDA**" means the United States Food and Drug Administration and any successor Regulatory Authority having substantially the same function.

1.41 "**Field**" means any use without limitation.

1.42 "**First Commercial Sale**" means, with respect to a country, the first sale for end use or consumption of a Licensed Product in such country, except for compassionate use or other patient access programs, that results in a Net Sale after all Regulatory Approvals legally required for such sale have been granted by the Regulatory Authority of such country.

1.43 "**Forma**" has the meaning set forth in the Preamble.

1.44 "**Forma Agreements**" means the contracts and agreements that are listed on Schedule 1.44.

1.45 "**Forma Assigned Agreements**" has the meaning set forth in Section 2.7.

1.46 "**Forma INDs**" means the INDs submitted to the FDA by Forma for the Licensed Product with the following identifiers: 127313 and 139611.

1.47 "**Forma Indemnitees**" has the meaning set forth in Section 12.1.

1.48 "**Forma Know-How**" means Know-How Controlled by Forma or its Affiliates on the Effective Date or during the Term that is necessary or reasonably useful to Develop, Manufacture or Commercialize the Licensed Products in the Field in the Territory, but excluding Joint Know-How.

1.49 "**Forma Patent Rights**" means any Patent Right Controlled by Forma or its Affiliates on the Effective Date or during the Term that is necessary or useful to Develop, Manufacture or Commercialize the Licensed Products in the Field and in the Territory, but excluding Joint Patent Rights. The Forma Patent Rights existing as of

the Effective Date are those Patent Rights identified on Schedule 11.2.2, attached hereto and incorporated herein by reference.

1.50 "**Forma Regulatory Activities**" has the meaning set forth in Section 2.8.

1.51 "**Forma Sublicensee**" means each of the following entities: [***].

1.52 "**Forma Technology**" means Forma Know-How, Forma Trademarks, and Forma Patent Rights.

1.53 "**Forma Third Party In-License**" is defined in Section 1.31.

1.54 "**Forma Trademarks**" means the Trademarks pertaining to the Licensed Product that are Controlled by Forma or its Affiliates on the Effective Date. The Forma Trademarks existing as of the Effective Date are those Trademarks identified on Schedule 1.54, attached hereto and incorporated herein by reference.

1.55 "**FTE**" means the equivalent of the work of one (1) appropriately qualified individual working on a full-time basis in performing work in support of the Transition Activities for a twelve (12) month period (consisting of at least a total of [***] hours per year of dedicated effort). No additional payment shall be made with respect to any individual who works more than [***] hours per year, and any individual who devotes less than [***] hours per year shall be treated as an FTE on a pro-rata basis, based upon the actual number of hours worked by such individual on the applicable Transition Activities divided by [***].

1.56 "**FTE Rate**" means [***]; provided that such rate shall increase on January 1 of each Calendar Year by [***].

1.57 "**GAAP**" means generally accepted accounting principles as practiced in the U.S., consistently applied.

1.58 "**GCP**" or "**Good Clinical Practices**" means the then-current good clinical practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of clinical trials to assure that clinical trial results are credible and accurate and to protect the rights, integrity, and confidentiality of clinical trial subjects, including, as applicable, the U.S. regulations set forth in 21 C.F.R. Parts 50 ("Protection of Human Subjects"), 54 ("Financial Disclosure by Clinical Investigators"), 56 ("Institutional Review Boards"), and 312 ("Investigational New Drug Application"), as may be amended from time to time, and analogous Laws or regulations administered or promulgated by applicable Regulatory Authorities in any other relevant country or jurisdiction, as may be amended from time to time and to the extent such standards are not less stringent than U.S. GCP standards.

1.59 "**Generic Product**" means, with respect to a particular Licensed Product in a country or jurisdiction, a pharmaceutical product that is approved for use in such country or jurisdiction by a Regulatory Authority through a regulatory pathway referencing or relying on data and information in the Regulatory Approval for a Licensed Product, (including any such pharmaceutical product that has been approved for marketing in the U.S. pursuant to 21 U.S.C. § 505 (b)(2)), other than any Licensed Product that has been Developed under this Agreement by Company or any of its Affiliates or Sublicensees or Commercialized by Company or any of its Affiliates or Sublicensees in such country.

1.60 "**GLP**" or "**Good Laboratory Practices**" means the then-current good laboratory practice standards for conducting nonclinical studies that are intended to support applications for Regulatory Approval, including, as applicable, the U.S. regulations set forth in 21 C.F.R. Part 58, and analogous Laws or regulations administered or promulgated by applicable Regulatory Authorities in any other relevant country or jurisdiction, to the extent such standards are not less stringent than U.S. GLP standards.

1.61 "**Governmental Authority**" means any applicable governmental authority, court, tribunal, arbitrator, agency, department, legislative body, commission or other instrumentality of (a) any government of any country or territory, (b) any nation, state, province, county, city or other political subdivision thereof or (c) any supranational body.

1.62 [***]

1.63 "**IND**" means an Investigational New Drug Application, as defined in the FD&C Act, together with any rules and regulations promulgated thereunder, or similar application or submission that is required to be filed with any Regulatory Authority anywhere in the world before beginning clinical testing of an investigational drug or biological product in human subjects, and in either case, any amendments or supplements thereto.

1.64 "**Indemnitee**" has the meaning set forth in Section 12.3.

1.65 "**Indication**" means a separate and distinct disease, disorder, illness, or health condition and all of its associated signs, symptoms, stages, or progression (including precursor conditions). For clarity, subpopulations of patients with a primary disease or condition, however stratified (including stratification by stages or progression, particular combinations of symptoms associated with the primary disease or condition, prior treatment courses, response to prior treatment, family history, clinical history, phenotype, or the presence or absence of biomarkers) shall not be deemed to be separate "Indications" for the purposes of this Agreement.

1.66 "**Infringement Action**" has the meaning set forth in Section 13.3.2.

1.67 "**Initial Development Plan**" has the meaning set forth in Section 3.2.

1.68 "**Initial Indication**" means relapsed/refractory (R/R) AML.

1.69 "**Initial NDA**" means the NDA submitted to the FDA on February 15, 2022 by Forma for the Licensed Product in the Initial Indication with the identifier NDA 215814 and all Regulatory Filings submitted to the FDA by Forma in connection with such NDA, including any responses to complete response letters and any refiling, reapplication, additional filing or additional application.

1.70 "**Injunction**" is defined in Section 14.2.4.

1.71 "**Invent**" means the act of invention by inventors, as determined in accordance with the patent laws of the United States.

1.72 "**Joint Know-How**" means any Know-How that is discovered, made or developed jointly in connection with the activities undertaken under this Agreement by one or more employees of Forma or its Affiliates (or a Third Party acting on any of their behalf) and one or more employees of Company or its Affiliates that are Sublicensees (or a Third Party acting on any of their behalf).

1.73 "**Joint Patent Rights**" means any Patent Right that is Invented jointly in connection with the activities undertaken under this Agreement by one or more employees of Forma or its Affiliates (or a Third Party acting on any of their behalf) together with one or more employees of Company or its Affiliates that are Sublicensees (or a Third Party acting on any of their behalf).

1.74 "**Joint Technology**" means Joint Know-How and Joint Patent Rights.

1.75 "**Joint Steering Committee**" or "**JSC**" means the Joint Steering Committee as more fully described in Section 7.1.

1.76 "**Know-How**" means all chemical or biological materials and other tangible materials, inventions, improvements, practices, discoveries, developments, data, information, regulatory materials including Regulatory Filings, Regulatory Data, technology, methods, protocols, formulas, knowledge, know-how, trade secrets, processes, assays, skills, experience, techniques and results of experimentation and testing, including pharmacological, toxicological, research, pre-clinical and clinical data and analytical and quality control data, in all cases, whether or not confidential, proprietary or patentable, in written, electronic or any other form now known or hereafter developed, including any physical embodiments of any of the foregoing; but excluding in any event any Patent Right.

1.77 "**Label Expansion**" means, with respect to the Approved NDA for a Licensed Product, any receipt of Regulatory Approval for such Licensed Product for (a) a different patient subpopulation, (b) a new line of therapy, or (c) new use in combination with another or different treatment, or drug, in each case as compared to the Approved NDA.

1.78 "**Laws**" means all applicable laws, statutes, rules, regulations, orders, judgments, injunctions, ordinances or other pronouncements having the binding effect of law of any Governmental Authority, including a legal obligation to a Regulatory Authority or other Governmental Authority to which either Party is or becomes subject (such as a corporate integrity agreement or settlement agreement with a Governmental Authority) and Anti-Corruption Laws.

1.79 "**Licensed Product**" means any product comprising or containing Olutasidenib, or any derivative, variant, salt, racemate, polymorph and physical form of such product or of Olutasidenib (in each case whether alone as the sole active ingredient or as a Combination Product), including all dosage strengths, presentations, forms and formulations. For clarity, different dosage strengths, presentations, forms and formulations of the Active Ingredient of a product shall not be distinct Licensed Products.

1.80 "**Losses**" has the meaning set forth in Section 12.1.

1.81 "**Manufacturing**" or "**Manufacture**" means, as applicable, all activities associated with the production, manufacture, process of formulating, processing, purifying, filling, finishing, packaging, labeling, shipping, importing and storage of Licensed Products, and any part or component thereof, including process development, process validation, stability testing, manufacturing scale-up, pre-clinical, clinical and commercial manufacture and analytical development, product characterization, quality assurance and quality control, testing and release.

1.82 "**mIDH1**" means mutant isocitrate dehydrogenase 1.

1.83 "**NDA**" means a New Drug Application, as defined in the FD&C Act and applicable regulations promulgated thereunder by the FDA, or any analogous application or submission with any Regulatory Authority in a relevant country or jurisdiction outside of the United States, and in either case, any amendments or supplements thereto.

1.84 "**Net Sales**" means, with respect to a Licensed Product, the aggregate gross invoiced sales prices from sales of all units of such Licensed Product sold by Company and its Related Parties to independent Third Parties in accordance with GAAP after deducting, if not previously deducted, from the amount invoiced or received:

(a) trade, quantity and cash discounts, credits or allowances actually given;

(b) allowances for returns or rejections (due to spoilage, damage, expiration of useful life or otherwise);

(c) freight and insurance, if separately identified on the invoice;

(d) Third Party rebates, chargebacks, hospital buying group/group purchasing organization administration fees or managed care organization rebates actually given and other similar administrative fees, rebates and allowances granted to any non-related party, including to Governmental Authorities, purchasers, reimbursors, customers, distributors and wholesalers;

(e) value-added tax, sales, use or turnover taxes, excise taxes and customs duties assessed by Governmental Authorities on the sale of the Licensed Product;

(f) retroactive price reductions or billing corrections.

In the case of any sale or other disposal for value, such as barter or counter-trade, of a Licensed Product, or part thereof, other than in an arm's length transaction exclusively for cash, Net Sales shall be calculated as above on the value of the non-cash consideration received or the fair market price (if higher) of such Licensed Product in the country of sale or disposal, as determined in accordance with GAAP.

For clarity, named-patient sales shall be included in "Net Sales".

Notwithstanding the foregoing, the following shall not be included in Net Sales: (i) sales between or among Company and its Related Parties (but Net Sales shall include sales to the first Third Party (other than a Sublicensee) by Company or its Related Parties); and (ii) samples of Licensed Product used to promote additional Net Sales, in amounts consistent with normal business practices of Company or its Related Parties where the Licensed Product is supplied without charge or at or below the actual manufacturing cost thereof (without allocation of indirect costs or any mark-up).

In the event that a Licensed Product is sold as a Combination Product, Net Sales, for the purposes of determining royalty payments on the Combination Product, means the aggregate gross invoiced sales prices from sales of all units of such Combination Product sold by a Party and its Related Parties to independent Third Parties in accordance with GAAP less the deductions set forth in clauses (a) – (f) above, multiplied by a proration factor that is determined as follows:

(A) If the Licensed Product and the other Active Ingredients in such Combination Product are both sold separately during the same or immediately preceding Calendar Quarter, then Net Sales for the Licensed Product shall be calculated by multiplying actual Net Sales of such Combination Product during such period by the fraction A/(A+B), where: "A" is the average gross invoiced sales price of the Licensed Product during such period when sold separately in the same formulation and dosage; and "B" is the average gross invoiced sales price of the Active Ingredients contained in the Combination Product during such period when sold separately in the same formulation and dosage.

(B) If the Licensed Product is sold separately during the same or immediately preceding Calendar Quarter in the same formulation and dosage as in the Combination Product, but the other Active Ingredients contained in the Combination Product are not sold separately during such period in the same formulation and dosage as in the Combination Product, then Net Sales for the Licensed Product shall be calculated by multiplying actual Net Sales of such Combination Product during such period by the fraction A/C, where "A" is the average gross invoiced sales price of the Licensed Product during such period when sold separately in the same formulation and dosage and "C" is the average gross invoiced sales price of the Combination Product during such period;

(C) If the Licensed Product is not sold separately during the same or immediately preceding Calendar Quarter in the same formulation and dosage as in the Combination Product, but the other Active Ingredients contained in the Combination Product are sold separately during such period in the same formulation and dosage as in the Combination Product, then Net Sales for the Licensed Product shall be calculated by multiplying actual Net Sales of such Combination Product by the result of 1 – (B/C), where "B" is the average gross invoiced sales price of the other Active Ingredients contained in the Combination Product during such period when sold separately in the same formulation and dosage and "C" is the average gross invoiced sales price of the Combination Product during such period; or

(D) If neither the Licensed Product nor the other Active Ingredients contained in the Combination Product were not sold separately during the same or immediately preceding Calendar Quarter, the proration factor shall be determined by the Parties in good faith negotiations based on the relative value contributed by each component.

1.85 "**Olutasidenib**" means olutasidenib, Forma's proprietary mIDH1 inhibitor, also referred to as FT-2102, (S)-5-((1-(6-chloro-2-oxo-1,2-dihydroquinolin-3-yl)ethyl)amino)-1-methyl-6-oxo-1,6-dihydropyridine-2-carbonitrile, or 5-{[(1S)-1-(6-chloro-2-oxo-1,2-dihydroquinolin-3-yl)ethyl]amino}-1-methyl-6-oxo-1,6-dihydropyridine-2-carbonitrile.

1.86 [***]

1.87 "**Out-of-Pocket Costs**" means, with respect to certain activities hereunder, amounts actually paid by a Party or any of its Affiliates to a Third Party for goods or services incurred to conduct such activities, including payments to contract personnel (including contractors, consultants and (sub)contractors).

1.88 "**Party**" means Company or Forma.

1.89 "**Patent Challenge**" has the meaning set forth in Section 14.2.7.

1.90 "**Patent Rights**" means (a) all issued patents (including any extensions, restorations by any existing or future extension or registration mechanism including patent term adjustments, patent term extensions, supplemental protection certificates or the equivalent thereof, substitutions, confirmations, re-registrations, re-examinations, reissues, patents and patent claims maintained after post grant examination including *inter partes* review, post grant review or opposition proceeding and patents of addition); (b) patent applications (including all provisional applications, substitutions, requests for continuation, continuations, continuations-in-part, divisionals and renewals); (c) inventor's certificates; and (d) all equivalents and counterparts of the foregoing in any country of the world.

1.91 "**Person**" means any natural person, corporation, unincorporated organization, partnership, association, sole proprietorship, joint stock company, joint venture, limited liability company, trust or government, or Governmental Authority, or any other similar entity.

1.92 "**Phase 3 Clinical Trial**" means a Clinical Study in any country that would satisfy the requirements of U.S. 21 C.F.R. Part 312.21(c) and is intended to: (a) establish that the Licensed Product is safe and efficacious for its intended use; (b) define contraindications, warnings, precautions, and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed; and (c) support Regulatory Approval for such Licensed Product, or a similar clinical study prescribed by the relevant Regulatory Authorities in a country other than the United States.

1.93 "**Post-Approval Commitments**" means any post-approval commitments, including any non-clinical study or Clinical Study of a Licensed Product, required by a Regulatory Authority in a country or territory in connection with the Regulatory Approval for such Licensed Product in such country or jurisdiction.

1.94 "**Post-Termination Activities**" has the meaning set forth in Section 14.4.6(a).

1.95 "**Post-Termination Royalty Term**" means, on a country-by-country and Licensed Product-by-Licensed Product basis, the period commencing on the First Commercial Sale of such Licensed Product in such country by Forma or its Affiliates or sublicensees and continuing until the latest to occur of: (a) the expiration, invalidation or abandonment of the last Valid Claim (as such term is applied *mutatis mutandis* to the Termination Patents) of the Termination Patents that Covers such Licensed Product in such country; (b) the expiration of Regulatory Exclusivity for such Licensed Product in such country; and (c) the [***] anniversary of the First Commercial Sale of the Licensed Product in such country.

1.96 "**PRC**" means the People's Republic of China, which for purposes of this Agreement excludes Hong Kong, Macau and Taiwan.

1.97 "**Pricing and Reimbursement Approval**" means, with respect to a Licensed Product, the approval, agreement, determination or decision of any Regulatory Authority establishing the price or level of reimbursement for such Licensed Product, as required in a given country or jurisdiction prior to sale of such Licensed Product in such country or jurisdiction.

1.98 "**Process Validation Batches**" means the anticipated process validation batches of the Licensed Product to be completed by Forma, all of which are described on Schedule 1.98.

1.99 "**Project Manager**" has the meaning set forth in Section 7.3.

1.100 "**Region**" means each of (a) the European Union and the United Kingdom, and (b) the PRC.

1.101 "**Registrational Study**" means (a) Phase 3 Clinical Trial or (b) any other Clinical Study (including a portion of a study, such as the Phase 3 Clinical Trial portion of a Phase 2b/3 study)of a Licensed Product, the results of which, together with prior data and information concerning such Licensed Product, would (if such Clinical Study meets its primary endpoints) be sufficient to support Regulatory Approval by the FDA for such Licensed Product without the need to conduct additional Clinical Studies, or a similar Clinical Study prescribed by the Regulatory Authority in a country or jurisdiction other than the United States. With respect to a Clinical Study that does not meet the foregoing criteria when it is initiated but, at a later time, for which the applicable Regulatory Authority determines that such Clinical Study meets the foregoing criteria and Company files an NDA using the data generated by such Clinical Study as the basis for such filing, such Clinical Study shall be deemed a Registrational Study for purposes of this Agreement as of the date of filing of such NDA, and, for purposes of Section 10.2, such Registrational Study shall be deemed to be initiated as of the date of such determination.

1.102 "**Regulatory Approval**" means, with respect to any country or Region in the Territory, any approval (including approval of an NDA), establishment license, registration, permit, notification or authorization (or waivers) of any Regulatory Authority that is required by applicable Laws for the manufacture, use, storage, import, export, transport, promotion, marketing, distribution, offer for sale, sale or other Commercialization of a Licensed Product in such country or region, including Pricing and Reimbursement Approval, as applicable.

1.103 "**Regulatory Authority**" means any national, international, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity with authority over the approval, distribution, importation, exportation, manufacture, use, storage, transport, clinical testing, pricing, sale or reimbursement of pharmaceutical products in the Territory.

1.104 "**Regulatory Data**" means any and all research data, pharmacology data, CMC Data, Safety Data, preclinical data, clinical data and all other documentation submitted, or required to be submitted, to Regulatory Authorities in association with Regulatory Filings and Regulatory Approvals for the Licensed Products (including any applicable drug master files or similar documentation).

1.105 "**Regulatory Exclusivity**" means, with respect to any Licensed Product in any country or jurisdiction in the Territory, the period of time during which: (a) Company, its Affiliate, or a Sublicensee has the exclusive legal right, pursuant to a grant by a Regulatory Authority, other than through a Patent Right, including orphan drug exclusivity, new chemical entity exclusivity, pediatric exclusivity, or rights similar thereto in such country or jurisdiction, or is otherwise entitled to the exclusive legal right by operation of applicable Laws in such country or jurisdiction to Commercialize such Licensed Product, and such right precludes the final Regulatory Approval of any Third Party product that is deemed to be the same or a similar drug; or (b) the data and information submitted by Company, its Affiliate, or any Sublicensee to the relevant Regulatory Authority in such country or jurisdiction for purposes of obtaining Regulatory Approval of such Licensed Product may not be disclosed, referenced, or relied upon in any way by any Third Party or such Regulatory Authority to support the Regulatory Approval or marketing of any product by any Third Party in such country or jurisdiction, or if such data and information is disclosed, referenced, or relied upon to support a Regulatory Approval granted to any Third Party in such country or jurisdiction, then the product may not be placed on the market for any indication.

1.106 "**Regulatory Filing**" means any documentation comprising or relating to or supporting any filing or application with any Regulatory Authority with respect to any Licensed Product, or its use or potential use in humans, including any documents submitted to any Regulatory Authority and all supporting data, including INDs, clinical trial applications and NDAs, and all correspondence with any Regulatory Authority with respect to such Licensed Product (including minutes of any meetings, telephone conferences or discussions with any Regulatory Authority).

1.107 "**Related Parties**" means a Party's Affiliates and Sublicensees.

1.108 "**Responsible Party**" has the meaning set forth in Section 13.3.3.

1.109 "**Royalty Term**" has the meaning set forth in Section 10.5.

1.110 "**Safety Data**" means any adverse event (as such term is used in the meaning set forth in 21 C.F.R. § 312.32 or its equivalents in the Territory) information from human trials and all results from non-clinical safety studies, including toxicology and safety pharmacology data, with respect to a Licensed Product required by one or more Regulatory Authorities to be collected or to be reported to such Regulatory Authorities under applicable Laws, but excluding any information related to the efficacy of the Licensed Products.

1.111 "**Solid Tumor Clinical Study**" means the Phase 1/2 Solid Tumor Clinical Study - 2102-ONC-102 (ClinicalTrials.gov identifier: NCT03684811) described in the Transition Plan.

1.112 "**Sublicensee Equities**" means any equities in and from a Third Party Sublicensee that Company or its Affiliates receives as consideration for, and solely to the extent attributable to, the grant of a Sublicense outside the U.S.

1.113 "**Sublicense Revenue**" means any Sublicensee Equities and/or monetary payments that Company or its Affiliates receives from a Third Party Sublicensee as consideration for, and solely to the extent attributable to, the grant of, a Sublicense Ex-US, or an option to obtain such Sublicense Ex-US, including, without limitation, upfront payments, milestone payments, royalties, license fees, license option fees, and license maintenance fees. Sublicense Revenue excludes (i) reimbursement of patent prosecution, defense, enforcement and maintenance and other related costs and expenses, and (ii) purchases of equity or debt of Company or its Affiliates up to fair market value, with any premium on securities included as "**Sublicense Revenue**" hereunder.

1.114 "**Sublicense**" means any grant by Company to an Affiliate or a Third Party of any of the licenses or rights granted under this Agreement or any part thereof, including the right to Develop, Manufacture, or Commercialize any Licensed Product, in accordance with Section 9.1.2.

1.115 "**Sublicensee**" means a Third Party to whom Company grants a direct or indirect sublicense under any Forma Technology or Joint Technology, as the case may be, to Develop, Manufacture or Commercialize a Licensed Product in the Field pursuant to Section 9.1.2.

1.116 "**Successful Completion of the Process Validation Batches**" means the achievement of the specifications as set forth in Module 3.2.P.5.1 of the Initial NDA.

1.117 "**Sued Party**" has the meaning set forth in Section 13.4.

1.118 "**Term**" has the meaning set forth in Section 14.1.

1.119 "**Termination Patents**" has the meaning set forth in Section 14.4.1(a).

1.120 "**Territory**" means worldwide.

1.121 "**Third Party**" means a Person other than a Party and its Affiliates.

1.122 "**Trademark**" means any trademark, trade name, service mark, service name, brand, domain name, trade dress, logo, slogan or other indicia of origin or ownership, including the goodwill and activities associated with each of the foregoing.

1.123 "**Transition Activities**" has the meaning set forth in Section 2.1.

1.124 "**Transition Period**" means the period commencing on the Effective Date and ending upon the later to occur of: (a) the date that all activities under the Transition Plan have been completed, or (b) [***] months following the Effective Date.

1.125 "**Transition Plan**" has the meaning set forth in Section 2.1.

1.126 "**United States**" or "**U.S.**" means the United States of America and its territories, possessions and commonwealths.

1.127 "**Valid Claim**" means any claim of a Patent Right included within the Forma Patent Rights or Joint Patent Rights that (a) has been granted by a patent granting authority, that is in force, and that has not been surrendered, abandoned, revoked or held invalid or unenforceable by an unappealed or unappealable decision taken by an administrative or civil court in a jurisdiction, or (b) a pending claim in a Patent Right application included within the Forma Patent Rights or Joint Patent Rights, with the proviso that any claim that has been pending for more than [***] years following the first substantive response from the patent office in a country, shall cease to be a Valid Claim in that country unless and until it becomes a granted claim fulfilling the requirements under (a) above.

2. TRANSITION AND TECHNOLOGY TRANSFER

2.1 Transition Activities. The transition plan (the "**Transition Plan**") outlining the transition activities to be carried out by each Party during the Transition Period, including the transfer of Existing Inventory, Process Validation Batches, Forma Know-How, Manufacturing, CMC, compassionate use arrangements, study-related wind-down activities for the AML Clinical Study following study closure and regulatory activities (the "**Transition Activities**") is attached hereto and incorporated herein by reference as Schedule 2.1. The Transition Plan shall include a plan for conducting the Transition Activities, including an allocation of responsibilities between the Parties for the performance of such activities and the timelines and costs associated with conducting such activities. Such Transition Activities shall be carried out by the Parties in accordance with this Agreement, including this Article 2. The Transition Plan may be amended by the mutual written agreement of the Parties.

2.2 Responsibilities. Subject to the terms and conditions of this Agreement, including oversight by the JSC, each Party shall use Commercially Reasonable Efforts to perform the Transition Activities assigned to such Party in accordance with the Transition Plan on or before the applicable deadlines as set forth therein, and shall conduct such Transition Activities in accordance with the Transition Plan and applicable Laws. Each Party shall bear its internal costs in conducting Transition Activities that are assigned to such Party. Company shall bear its external costs in conducting Transition Activities that are assigned to it, and, subject to Sections 2.4 and 2.5, Forma shall bear its external costs in conducting Transition Activities that are assigned to it.

2.3 Know-How Transfer.

2.3.1 Transition Period. During the Transition Period, Forma shall, and shall cause its Affiliates to, transfer, disclose and make available to Company or its designees in English, including, as applicable, by providing hard and electronic copies thereof, the Forma Know-How in its, its Affiliates' or its Third Party manufacturers' possession that is necessary or useful for the Development, Manufacture or Commercialization of the Licensed Product in accordance with the Transition Plan.

2.3.2 Additional Period. During the longer of the [***] month period immediately following Forma's receipt of the Approved NDA and the length of the Transition Period, Forma shall, and shall cause its Affiliates to, disclose and make available to Company Forma Know-How in its or its Affiliates possession not previously disclosed and made available to Company that is necessary or useful for the Development, Manufacture or Commercialization of the Licensed Product, as reasonably requested by Company and to the extent reasonably accessible by Forma. Following completion of Forma's activities under the Transition Plan and completion of the Transition Period, if the number of FTE hours to perform additional Forma's activities under this Section 2.3.2 exceeds [***], then Company shall pay Forma for the excess FTE hours at the FTE Rate, which shall be pre-approved by Company prior to initiation of such additional Forma's activities. Forma shall invoice Company for such excess FTE hours at the FTE Rate on a monthly basis, and Company shall pay Forma such invoice within [***] days of receipt of invoice.

2.3.3 Manufacturing Tech Transfer. During the Transition Period, Forma shall transfer to Company all Forma Know-How that is necessary or useful for the Manufacture of the Licensed Products in its, its Affiliates' or its Third Party manufacturers' possession, including, without limitation, all process, analytical, and formulation development data, all technical memoranda, all process evolution data, and all batch records that are necessary or useful for the Manufacture of the Licensed Products to the extent owned or Controlled by Forma

(collectively, the "**Manufacturing Technology**") each Party bearing its own costs incurred in undertaking such transfer. In addition, following the Transition Period and at the reasonable request and expense of Company, from time to time, Forma shall make its employees and shall use commercially reasonable efforts to make its then-current consultants (including personnel of its Affiliates and Third Party manufacturers) reasonably available to Company and its designees to provide reasonable consultation and technical assistance regarding the Manufacture of any Licensed Product in order to ensure an orderly transition of the Manufacturing Technology and operations to Company and its designees and to assist Company and its designees in its Manufacture of the Licensed Products.

2.4 Existing Inventory. In accordance with the Transition Plan and provided that the Licensed Product has received Regulatory Approval, Company shall purchase from Forma the Existing Inventory that meets the specifications set forth in the applicable Forma Agreement for such Existing Inventory at the cost of COGS without markup. All Existing Inventory that is Active Ingredient that is transferred to Company shall have at least [***] months (or such other period mutually agreed to by the Parties in writing) of shelf life remaining from the date of its delivery from Forma to Company, and all Licensed Product that is Existing Inventory provided to Company by Forma hereunder shall have at least [***] months (or such other period mutually agreed to by the Parties in writing) of shelf life remaining from the date of its delivery from Forma to Company. Forma shall deliver to Company or Company's designee such purchased Existing Inventory (other than the Existing Inventory that will be used for the Process Validation Batches described in the Transition Plan) EXW (Incoterms 2020) the facility where such existing inventory is located as of the Effective Date promptly following the date the Approved NDA is approved by the FDA, but no later than [***] days (or such other period mutually agreed to by the Parties in writing) thereafter. Promptly upon Company's or Company's designee's receipt of the Existing Inventory, Forma shall issue an invoice to Company with respect to such purchased Existing Inventory, and Company shall pay [***] of such invoice prior to or on the [***]-month anniversary of the First Commercial Sale of the first Licensed Product and the remaining [***] of such invoice prior to or on the [***]-month anniversary of the First Commercial Sale of the first Licensed Product.

2.5 Process Validation Batches. In accordance with the Transition Plan and provided that the Licensed Product has received Regulatory Approval, Company shall purchase from Forma the Process Validation Batches as Existing Inventory as further described in and in accordance with Section 2.4. Forma shall deliver to Company such Process Validation Batches EXW (Incoterms 2020) the facility of the applicable Third Party manufacturer.

2.6 Cooperation. Each Party shall cause its and its Affiliates' employees to reasonably cooperate with employees of the other Party and its Affiliates to the extent required for effective performance of the Transition Activities. Each Party's Project Manager shall serve as the point of contact who shall be responsible for the coordination of the provision of Transition Activities and attempted resolution of any issues that may arise during the performance of any Party's obligations under the Transition Plan.

2.7 Forma Agreements. In accordance with the Transition Plan, Forma shall, or shall cause its Affiliates to, as applicable, to the extent legally permissible (and, to the extent consent is required from the relevant counterparty, Forma shall, or shall cause its Affiliates to, as applicable, use Commercially Reasonable Efforts to obtain such consent) assign to Company or its designees the Forma Agreements directed by Company, as determined in Company's sole discretion, to be assigned to Company (such Forma Agreements after such assignment "**Forma Assigned Agreements**"). For any Forma Assigned Agreement: (a) Forma shall be solely responsible for, and shall indemnify and hold harmless Company and all other Company Indemnitees from and against, any and all Losses arising from, or relating to, any such Forma Assigned Agreement as a result of, or in connection with, events or occurrences prior to the date of such assignment (including any payments that accrued prior to the date of such assignment but which do not become payable until after the date of such assignment) in accordance with Section 12.2; and (b) Company shall be solely responsible for, and shall indemnify and hold harmless Forma and all other Forma Indemnitees from and against, any and all Losses arising from, or relating to, any such Forma Assigned Agreement as a result of, or in connection with, events or occurrences on or after the date of such assignment (including any payments that accrues after the date of such assignment) in accordance with Section 12.1. Promptly after the Effective Date, the Parties shall in good faith coordinate activities under the Forma Agreements, with the goal of maintaining continuity of operations, including with respect to any compassionate use agreements that are Forma Agreements; provided that Forma shall not itself exercise any right or fulfill any obligation under any Forma Agreements without first notifying Company, and shall follow Company's reasonable instructions with respect to exercising any rights or fulfilling any obligations under Forma Agreements (i) that are Forma Assigned Agreements, until such Forma Assigned Agreements

are assigned to Company, and (ii) that are not Forma Assigned Agreements, but solely with respect to activities which directly affect the Licensed Products, until the expiration of the Transition Period.

2.8 Regulatory Interactions; Costs. Prior to assignment of the Approved NDA, subject to the terms and conditions of this Agreement, including this Section 2.8 and Section 2.9, Forma shall be responsible for all regulatory matters relating to the Initial NDA, including overseeing, monitoring and coordinating all regulatory actions, communications and filings with, and submissions to, the FDA with respect to the Initial NDA (the "**Forma Regulatory Activities**") as necessary for Regulatory Approval. Within [***] Business Days after the Effective Date, to the extent not already provided by Forma, Forma shall provide copies of all Regulatory Filings (including all correspondence with the FDA with respect to such Licensed Product) to Company. Forma shall: (i) to the extent permissible under applicable Law, permit two (2) Company representatives at Company's sole cost and expense to attend any meetings (whether in person or via teleconference) with the FDA regarding the package insert, the label or manufacturing for the Licensed Product and the Mid-Cycle Review Meeting; provided, however, that Forma shall not be required to change the dates or times of such meetings with the FDA; and (B) Forma shall provide Company a reasonable opportunity to review and comment on any correspondence with the FDA regarding the package insert, the label or manufacturing for the Licensed Product; provided, however, that Company shall diligently and timely provide any such comments to Forma and in no event shall Forma be obligated to delay submission of any responses to the FDA due to Company's failure to provide such comments in a timely manner. Forma shall be responsible for paying all costs, including the Out-of-Pocket Costs incurred by Forma that are associated with obtaining Regulatory Approval of the Licensed Product with respect to the Initial NDA in accordance with the Transition Plan. Notwithstanding the foregoing, in the event that the Initial NDA is not granted Regulatory Approval by the FDA on or before [***], Forma shall no longer be obligated to obtain such Regulatory Approval and Company shall be solely responsible for obtaining such Regulatory Approval; provided that, Forma shall use reasonable efforts to support Company's efforts to obtain such Regulatory Approval by providing Company with access to existing data, and performing additional analyses, in each case as reasonably requested by the FDA, and further provided that under no circumstances with Forma be required to generate additional data or undertake new studies in connection with fulfilling this obligation to support Company's efforts to obtain such Regulatory Approval.

2.9 Post-Approval Commitments. Notwithstanding Forma's right to prepare and submit the Initial NDA hereunder, Forma shall not have the right to agree upon any Post-Approval Commitments (other than with respect to the Post-Approval Commitment to conduct a pediatric Clinical Study and a post-approval bioequivalent Clinical Study for a new formulation for the Licensed Product) as a condition of obtaining Regulatory Approval for the Initial NDA without Company's prior written consent, not to be unreasonable withheld. As between the Parties and subject to Section 3.1.2, Company, at its sole cost and expense, shall be responsible for performing such Post-Approval Commitments, including such pediatric Clinical Study and post-approval bioequivalent Clinical Study.

2.10 Subcontractors. Either Party may perform any of its Transition Activities through one or more Third Parties, provided that (a) such Party remains responsible for the work allocated to, and, subject to Section 2.2, payment to, such Third Party to the same extent it would if it had done such work itself; (b) the Third Party undertakes in writing commercially reasonable obligations of confidentiality and non-use regarding Confidential Information that are substantially the same as those undertaken by the Parties with respect to Confidential Information pursuant to Article 8; and (c) the Third Party undertakes in writing to assign or exclusively license back (with the right to sublicense through multiple-tiers) all intellectual property rights with respect to the Licensed Products developed in the course of performing any such Transition Activities for such Party.

2.11 Records; Audits. Each Party shall maintain complete and accurate records (paper or electronic as applicable) of all Transition Activities conducted by or on behalf of such Party under this Agreement, including all data and other information resulting from such activities.

3. DEVELOPMENT

3.1 Licensed Products.

3.1.1 Responsibility for Development. Subject to the terms and conditions of this Agreement, except for the Transition Activities and the Development activities set forth in the Development Plan to be conducted by Forma, Company shall be solely responsible for the Development of the Licensed Product in the

Field in the Territory at its sole cost and expense, including the conduct of all Clinical Studies to obtain and maintain Regulatory Approval of the Licensed Product in the Territory.

3.1.2 Development Diligence.

(a) Subject to the terms and conditions of this Agreement, Forma shall (A) use Commercially Reasonable Efforts to obtain the Approved NDA, and (B) perform the Development activities (including the Clinical Studies) allocated to Forma under and in accordance with the Development Plan, provided that Forma shall have the right to cease Development activities that are Clinical Studies for safety reasons as determined in accordance with applicable Laws. Forma shall not be required to conduct any additional Clinical Studies (including bioequivalence studies) necessary to obtain the Approved NDA in response to FDA's requests but shall be responsible for undertaking and participating in any advisory meeting as required by the FDA. Subject to the terms and conditions of this Agreement, Company shall use Commercially Reasonable Efforts, itself or through its Sublicensee(s), to (a) upon the assignment of the Approved NDA, maintain the Approved NDA and perform, as required by the FDA, the pediatric Clinical Study and the post-approval bioequivalent Clinical Study for a new formulation for the Licensed Product each as described in Section 2.9; (b) Develop, and seek and obtain Regulatory Approval for, the Licensed Product in the Initial Indication in the PRC and in each of the 5EU countries; and (c) obtain Regulatory Approval for the Licensed Product in the U.S. for at least one Indication in each case of (a) - (c) in accordance with the Development Plan; provided, however, that: (i) Forma acknowledges and agrees that, subject to Section 14.2.6, Company's diligence obligations shall be deemed satisfied as long as Company has used Commercially Reasonable Efforts to enter into a Sublicense with a Sublicensee for the performance of each of (b) - (c), and if Company enters into such Sublicense with such Sublicensee, such Sublicensee is using Commercially Reasonable Efforts to perform (b) – (c), as applicable; and (ii) Company shall not be required to enter into any Sublicense with a Sublicensee under which Company would be obligated to sponsor or undertake any Clinical Study, or file, submit, or hold any Regulatory Filings or Regulatory Approvals.

3.2 Development Plan. The Development activities anticipated to be undertaken by Forma, Company or its Sublicensee(s), as applicable, for the Licensed Product to achieve Regulatory Approval in the Field in the Territory shall be set forth in a development plan (each such plan, a "**Development Plan**"). Development activities set forth in each Development Plan shall at all times be designed to be in compliance with all applicable Laws and in accordance with professional and ethical standards customary in the pharmaceutical industry. The initial Development Plan describing Forma's, Company's or its Sublicensee(s)' Development activities with respect to the Licensed Product are set forth in the Development Plan attached hereto and incorporated herein by reference as Schedule 3.2 (the "**Initial Development Plan**"). Each Party shall provide the other Party on an annual basis an updated Development Plan by January 31 of each Calendar Year, including a description of the Development activities anticipated to be undertaken by such Party or its Sublicensee(s), as applicable; provided, however, that Forma shall not be required to conduct any additional Development activities other than the Development activities set forth in the Initial Development Plan and shall not be required to provide such updated Development Plan following completion of all Development activities required to be undertaken by Forma under the Development Plan and Transition Plan, including with respect to the AML Clinical Study and Solid Tumor Clinical Study.

3.3 Development Reports.

3.3.1 By Company. Company or its Sublicensee(s), as applicable, shall provide to Forma on a semi-annual basis a written report summarizing the Development activities conducted by or on behalf of Company or its Sublicensee(s), as applicable, for the Licensed Product since the previous written report by January 31 and July 31 of each Calendar Year. Such written reports shall include a high-level summary of any Development plans or activities, the work performed in relation to the goals of the applicable Development Plan, a summary of progress against each development and regulatory milestone event and an estimate of the timing of the achievement of the next development and regulatory milestone event in each case that are described in Section 10.2. Company or its Sublicensee(s), as applicable, shall provide such other information as may be reasonably requested by Forma with respect to such Development activities, including relevant activities conducted and being conducted by Company or its Sublicensee(s), as applicable, in the applicable period. In addition to the foregoing, upon Forma's reasonable request, Company or its Sublicensee(s) shall participate in a telephone or video conference to discuss such reports and other information as to convey a reasonably comprehensive understanding of the status of the applicable Development activity.

3.3.2 By Forma. Forma or its Affiliates, as applicable, shall provide to Company on a quarterly basis a written report summarizing the Development activities conducted during the Transition Period (or continued beyond the Transition Period) by or on behalf of Forma or its Affiliates, as applicable, for the Licensed Product since the previous written report by January 31, April 30, July 31, and October 31 of each Calendar Year. Such written reports shall include a high-level summary of any Development plans or activities, the work performed in relation to the goals of the applicable Transition Plan or Development Plan, a summary of progress against each development and regulatory milestone event and an estimate of the timing of the achievement of the next development and regulatory milestone event in each case that are described in Section 10.2. Forma or its Affiliates, as applicable, shall provide such other information as may be reasonably requested by Company with respect to such Development activities, including relevant activities conducted and being conducted by Forma or its Affiliates, as applicable, in the applicable period. In addition to the foregoing, upon Company's reasonable request, Forma or its Affiliates shall participate in a telephone or video conference to discuss such reports and other information as to convey a reasonably comprehensive understanding of the status of the applicable Development activity.

3.4 Records. Each Party shall maintain complete and accurate records (paper or electronic as applicable) of all Development activities conducted by or on behalf of such Party under this Agreement in connection with the Licensed Product as required by applicable Laws, which may include all data and other information resulting from such Development activities. These records shall include, as applicable, books, records, reports, research notes, charts, graphs, comments, computations, analyses, recordings, photographs, computer programs and documentation thereof (*e.g.*, samples of materials and other graphic or written data generated in connection with such Development activities), in sufficient detail, including in sufficient detail for purposes of making patent filings, in good scientific manner, or otherwise in a manner that reflects all work done and results achieved.

4. REGULATORY MATTERS

4.1 Ownership of Regulatory Filings. Subject to the assignment of the Approved NDA and the Forma INDs as described herein, Company shall own all Regulatory Approvals and Regulatory Filings submitted by Company to any Regulatory Authority with respect to the Licensed Product in the Field in the Territory during the Term. Forma shall, within [***] days after Regulatory Approval of the Initial NDA, assign and transfer the Approved NDA and, in accordance with the Transition Plan, assign and transfer the corresponding Regulatory Filings, including the Forma INDs, to Company. Following such assignment, Forma shall provide Company with copies of all Regulatory Filings in Forma's or its Affiliates' Control in accordance with the Transition Plan. Each Party shall be responsible for its own costs and expenses in connection with such assignment and transfer.

4.2 Responsibility for Regulatory Matters. Except for the Forma Regulatory Activities as further described in and subject to Section 2.8, Company shall be solely responsible, at its sole discretion, cost and expense, for all regulatory matters relating to each Licensed Product in the Territory, including (a) overseeing, monitoring and coordinating all regulatory actions, communications, commitments and filings with, and responsibilities and submissions to, the applicable Regulatory Authority with respect to the Licensed Product; (b) interfacing, corresponding and meeting with the applicable Regulatory Authority with respect to the Licensed Product; (c) seeking and maintaining all Regulatory Approvals and Regulatory Filings with respect to the Licensed Product, including any amendments, supplements or modifications to Regulatory Approvals and Regulatory Filings; and (d) maintaining and submitting all records and reports required to be maintained or required to be submitted to the applicable Regulatory Authority with respect to Licensed Product, each as required by applicable Laws.

4.3 Adverse Event Reporting.

4.3.1 Subject to Section 4.3.2, Forma shall, at its sole cost and expense, establish, hold, and maintain the global safety database for the Licensed Products with respect to information on adverse events concerning the Licensed Products, as and to the extent required by applicable Laws.

4.3.2 In accordance with the Transition Plan, Forma shall transfer to Company or its designees the global safety database for the Licensed Products described in Section 4.3.1, and the Parties, if applicable, shall enter into a separate written pharmacovigilance agreement with respect to the Licensed Products to enable the Parties to fulfill their respective regulatory reporting obligations under applicable Laws. Company shall after such transfer, at its sole cost and expense, hold and maintain the global safety database for the Licensed Products with

respect to information on adverse events concerning the Licensed Products, as and to the extent required by applicable Laws.

4.4 Right of Reference; Access to Data. Prior to the time at which the Regulatory Approvals, Regulatory Filings and Regulatory Data related to the Licensed Product are transferred and assigned to Company or its designees, or in the event of failure to transfer and assign any such Regulatory Approvals, Regulatory Filings and Regulatory Data to Company or its designees, as required by Section 4.1, Company and its designees shall have, and Forma (on behalf of itself and its Affiliates) hereby grants to Company and its designees, access and a right of reference (without any further action required on the part of Forma or its Affiliates, whose authorization to file this consent with any Regulatory Authority is hereby granted) to all such Regulatory Approvals, Regulatory Filings and Regulatory Data for Company and its designees to exercise its rights and satisfy its obligations under this Agreement. In all cases, Company and its designees shall have access to all data contained or referenced in any such Regulatory Approvals and Regulatory Filings, and Forma shall ensure that Company and its designees are afforded such access.

5. COMMERCIALIZATION

5.1 Responsibility for Commercialization of Licensed Products. Subject to the terms and conditions of this Agreement, Company shall be solely responsible, at its sole discretion, cost and expense, for all Commercialization activities relating to Licensed Products in the Field in the Territory, including (a) all activities preparatory to launch, marketing, promotion, sales, distribution, import and export activities (including securing reimbursement, sales and marketing and conducting any post-marketing trials or databases and post-marketing safety surveillance); (b) the timing for the launch of Licensed Products and for submitting applications for reimbursement with respect to Licensed Products in any country in the Territory; and (c) booking all sales of Licensed Products in the Territory.

5.2 Commercialization Diligence. Subject to the terms and conditions of this Agreement, Company shall use Commercially Reasonable Efforts, either itself or through one or more Affiliates or Sublicensees, to achieve the First Commercial Sale for, and thereafter to Commercialize Licensed Products in the Territory in the Initial Indication for which Regulatory Approval and, if applicable, Pricing and Reimbursement Approval has been obtained, and shall commit such resources (including personnel, facilities, equipment and materials) as are reasonable and necessary to comply with such diligence obligations. Without limiting the generality of the foregoing, Company shall use Commercially Reasonable Efforts to achieve the First Commercial Sale in the U.S. of the Licensed Product in the Initial Indication within [***] days following Regulatory Approval of the Initial NDA.

5.3 Reporting Obligations. [***] month prior to the anticipated First Commercial Sale of each Licensed Product, and thereafter on an annual basis by January 31 of each Calendar Year, Company shall provide Forma a written report regarding those material Commercialization activities completed by or on behalf of Company in the Territory since the previous written report and those material Commercialization activities planned for the then-current Calendar Year. Such report will consist of a summary of the plan for Commercialization activities and marketing activities. In addition, Company shall provide Forma with written notice of the First Commercial Sale of the Licensed Product in the Territory within [***] days after such event. Company shall provide such other information as Forma may reasonably request with respect to Commercialization of such Licensed Product.

6. MANUFACTURE

6.1 Responsibility for Manufacture. Forma shall Manufacture and deliver to Company the Process Validation Batches described in the Transition Plan, and Company shall be responsible for paying the costs and expenses of such Process Validation Batches in accordance with and to the extent described in Section 2.5 (the "**Forma Manufacturing Activities**"). Except for the Forma Manufacturing Activities, Company shall be solely responsible for costs and expenses incurred by Company in the Manufacture and supply of the Licensed Products in the Field in the Territory needed for the Development and Commercialization of the Licensed Products, at its sole discretion, cost and expense.

7. TRANSITION MANAGEMENT

7.1 Joint Steering Committee.

7.1.1 Overview. Promptly following the Effective Date, the Parties shall establish a Joint Steering Committee ("**JSC**") to review, discuss, oversee the preparation, filing and FDA review of the Initial NDA and any other NDA submitted by or on behalf of Forma for the Licensed Product and implement the Transition Plan.

7.1.2 Composition. The JSC shall consist of four (4) members, with each Party contributing two (2) representatives who are employees of such Party, one (1) of whom can represent such Party with respect to matters related to the manufacture of the Licensed Product. Each Party shall appoint its respective representatives to the JSC as of the Effective Date and may substitute one or more of its representatives, in its sole discretion, effective upon notice to the other Party of such change. All JSC representatives shall have appropriate expertise, seniority and decision-making authority to carry out the responsibilities of the JSC. Additional employees or consultants may from time to time, by mutual consent of the Parties, be invited to attend JSC meetings, provided such employees and consultants undertake confidentiality obligations, whether in a written agreement or by operation of law, no less stringent than the requirements of Section 8.1 and shall not vote or otherwise participate in the decision-making process of the JSC.

7.1.3 JSC Chairperson. The JSC chairperson shall be a Forma employee designated by Forma for the [***] months following the Effective Date and a Company employee designated by Company for the remaining period thereafter. The chairperson's responsibilities shall include setting the agenda for meetings, conducting meetings, including, when feasible, ensuring that objectives for each meeting are set and achieved and ensuring the objectives and results of each meeting are communicated to the senior management of each Party.

7.1.4 Meetings. The JSC shall meet no less frequently than each Calendar Quarter during the Transition Period and as mutually agreed thereafter. JSC meetings shall be conducted in person or by means of teleconference, videoconference or other similar communications equipment. All meetings and proceedings for the JSC or its subcommittees shall take place in English. Each Party shall bear its own expenses relating to attendance at such meetings by its representatives.

7.1.5 JSC Responsibilities. The JSC shall have the following responsibilities:

(a) reviewing regulatory interactions and submissions prior to assignment of the Initial NDA;

(b) executing the Transition Plan and reviewing and discussing amendments to the Transition Plan; and

(c) performing such other activities as the Parties agree in writing shall be the responsibility of the JSC.

7.1.6 JSC Decision-Making.

(a) Voting. Subject to Section 7.1.6(b), with respect to decisions of the JSC, the representatives of each Party shall have collectively one vote on behalf of such Party. For each meeting of the JSC, the attendance of at least two (2) representatives of each Party shall constitute a quorum. Action on any matter may be taken at a meeting, by teleconference, by videoconference or by written agreement.

(b) Escalation; Final Decision Making. The JSC shall attempt to resolve any and all decisions and disputes before it by consensus. If the JSC is unable to reach consensus with respect to a decision or dispute arising under this Agreement for a period in excess of [***] days, then the dispute shall be submitted to the Chief Executive Officers of Forma and Company for resolution. If such dispute cannot be resolved for a period in excess of [***] days following escalation (or such other period as the Parties may agree), then (i) Forma shall have

the final deciding vote with respect to (A) subject to Section 2.9, the Initial NDA prior to it being granted Regulatory Approval by the FDA, and (B) Forma's activities to be performed under the Transition Plan, and (ii) Company shall have the final deciding vote on all other matters.

(c) Limitation of Power of JSC and Escalation. Neither the JSC, any subcommittee of the JSC, nor any Party exercising its decision-making authority under Section 7.1.6(b) shall have decision-making authority regarding, any of the following matters:

(i) the imposition of any requirements on the other Party to undertake obligations beyond those for which it is responsible, including with respect to the Transition Activities to be performed by either Party under the Transition Plan, or to forgo any rights, under this Agreement;

(ii) the imposition of any requirements that the other Party take or decline to take any action that would result in a violation of any Law or any agreement with any Third Party or the infringement of intellectual property rights of Third Parties;

(iii) any matters that would excuse such Party from any of its obligations specifically enumerated under this Agreement; or

(iv) amending, modifying or waiving compliance with the terms of this Agreement or taking any action to expand or narrow the responsibilities of the JSC.

7.2 Disbandment of the JSC. The JSC shall automatically disband with immediate effect at the end of the Transition Period.

7.3 Project Managers. Each Party shall designate an individual to facilitate communication between the Parties and coordinate their activities under this Agreement (each, a "**Project Manager**"). The Project Managers shall be primarily responsible for facilitating the flow of information and otherwise promoting communication, coordination, and collaboration between the Parties. Each Project Manager may also serve as a representative of its respective Party on the JSC and one or more subcommittees. Each Party may change its Project Manager from time to time upon written notice to the other Party. Each Party and its Project Manager may designate a substitute to temporarily perform the functions of Project Manager upon written notice to the other Party's Project Manager.

8. CONFIDENTIALITY AND PUBLICATION

8.1 Nondisclosure Obligation.

8.1.1 All Confidential Information disclosed by one Party to the other Party under this Agreement shall be maintained in confidence by the receiving Party and shall not be disclosed to a Third Party or used for any purpose except as set forth herein without the prior written consent of the disclosing Party, except to the extent that such Confidential Information:

(i) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by the receiving Party's business records;

(ii) is known to the public before its receipt from the disclosing Party, or thereafter becomes known to the public through no breach of this Agreement by the receiving Party;

(iii) is subsequently disclosed to the receiving Party by a Third Party who is not known by the receiving Party to be under an obligation of confidentiality to the disclosing Party; or

(iv) is developed by the receiving Party independently of Confidential Information received from the disclosing Party, as documented by the receiving Party's business records.

8.1.2 Notwithstanding the obligations of confidentiality and non-use set forth above and in Section 8.1.4 below, a receiving Party may provide Confidential Information disclosed to it, and disclose the existence and terms of this Agreement as may be reasonably required in order to perform its obligations and to exploit its rights under this Agreement, and specifically to (a) Related Parties, and their officers, employees, directors, agents, consultants, advisors or other Third Parties who have a need to know such information for the performance of its obligations hereunder (or for such entities to determine their interest in performing such activities) in accordance with this Agreement in each case who are under an obligation of confidentiality and non-use with respect to such information that is no less stringent than the terms of this Section 8.1; (b) Governmental Authorities or other Regulatory Authorities in order to obtain patents or perform its obligations or exploit its rights under this Agreement, provided that such Confidential Information shall be disclosed only to the extent reasonably necessary to do so; (c) the extent required by Law, including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States or of any stock exchange or listing entity; and (d) any bona fide actual or prospective strategic partners, collaborators, licensees, sublicensees, underwriters, investors, lenders or acquirers of a Party or substantially all its assets and to consultants and advisors of such Third Party (including attorneys, accountants, consultants, bankers or financial advisors of the foregoing), provided that the receiving party of such information is under an obligation of confidentiality and non-use with respect to such information that is no less stringent than the terms of this Section 8.1. For clarity, Company shall not disclose the Confidential Information of Forma to an Affiliate or any Third Party for use by such Affiliate or Third Party to Develop, Manufacture or Commercialize a Generic Product to a Licensed Product without prior written consent from Forma, unless required by applicable Laws including those in connection with Paragraph IV ANDA litigation.

8.1.3 If a Party is required by Law to disclose Confidential Information that is subject to the non-disclosure provisions of this Section 8.1, such Party shall promptly inform the other Party of the disclosure that is being sought in order to provide the other Party an opportunity to challenge or limit the disclosure. Notwithstanding Section 8.1.1, Confidential Information that is required to be disclosed by Law shall remain otherwise subject to the confidentiality and non-use provisions of this Section 8.1. If either Party concludes that a copy of any of this Agreement must be filed with the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States, such Party shall provide the other Party with a copy of such agreement showing any provisions hereof as to which the Party proposes to request confidential treatment, shall provide the other Party with an opportunity to comment on any such proposed redactions and to suggest additional redactions, and shall take such Party's comments into consideration before filing such agreement.

8.1.4 Each Party recognizes that the value to the other Party of the transactions under this Agreement depend, in part, on each Party protecting the secrecy of its Know-How. Therefore, without limiting any Party's rights to license its Know-How, subject to the terms of this Agreement, in any way it chooses, each Party shall use Commercially Reasonable Efforts to protect the confidentiality of its Know-How as determined in such Party's reasonable business judgment.

8.2 Publicity. Except as set forth in Section 8.1 and Section 8.3 below, the terms of any of this Agreement may not be disclosed by either Party. Neither Party shall use the name or Trademark of the other Party or its employees in any publicity, news release or disclosure relating to any of this Agreement, its subject matter, or the activities of the Parties hereunder without the prior express written permission of the other Party, except as may be required by Law, including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in any country other than the United States or of any stock exchange or listing entity, or except as expressly permitted by the terms hereof.

8.3 Press Release. The Parties shall issue the press release in substantially the form attached as Schedule 8.3 announcing the execution of this Agreement after the Effective Date. After such initial press release, neither Party shall issue a press release or public announcement relating to the Parties' respective rights and obligations under this Agreement without the prior written approval of the other Party, not to be unreasonably withheld, delayed or conditioned, except that the Parties may (a) jointly issue a press release upon the approval of the Initial NDA by the FDA; (b) once a press release or other public statement is approved in writing by both Parties, make subsequent public disclosure of the information contained in such press release or other written statement without the further approval of the other Party, and (c) issue a press release or public announcement as required, in the reasonable judgment of such Party, by Law, including by the rules or regulations of the United States Securities and Exchange

Commission, or similar regulatory agency in a country other than the United States or of any stock exchange or listing entity on which such Party desires to list or does list its securities.

8.4 Survival. The provisions in this Section 8 shall survive the expiration or the termination of this Agreement for a period of [***] thereafter, except that with respect to trade secrets, such provisions and obligations shall survive for as long as the trade secrets remain secret.

9. LICENSES; EXCLUSIVITY

9.1 License Grants to Company.

9.1.1 Exclusive License Grant. Subject to the terms and conditions of this Agreement, Forma hereby grants to Company a non-transferable (except as provided in Section 15.1), sublicensable (subject to Section 9.1.2), exclusive (even as to Forma and its Affiliates) license under the Forma Technology and Forma's interest in the Joint Technology to Develop, Manufacture or have Manufactured, make, have made, use, import, export, offer for sale, sell and Commercialize the Licensed Products in the Field in the Territory. The license granted hereunder shall be royalty-bearing for the Royalty Term applicable to each Licensed Product in the Territory, and, after the Royalty Term applicable to such Licensed Product, shall convert on a country-by-country basis, to a fully-paid, royalty-free perpetual license.

9.1.2 Company Sublicense Rights. Company shall have the right to sublicense any of its rights under Section 9.1.1 to any of its Affiliates or to any Third Party without the prior consent of Forma, subject to the requirements of this Section 9.1.2. For clarity, Company may not sublicense any of its rights under Section 9.1.1 to an Affiliate or Third Party for use by such Affiliate or Third Party to develop, manufacture or commercialize a Generic Product to a Licensed Product without prior written consent from Forma, such consent not to unreasonably withheld, conditioned or delayed; provided, however, that Company may sublicense any of its rights under Section 9.1.1 to a Third Party pursuant to a settlement in an Infringement Action. Each sublicense granted by Company pursuant to this Section 9.1.2 shall be subject and subordinate to the terms of this Agreement and shall contain provisions consistent with those in this Agreement. Company shall promptly provide Forma with a copy of the fully executed sublicense agreement covering any sublicense granted hereunder (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 9.1.2), and each such sublicense agreement shall contain the following provisions: (a) a requirement that the Sublicensee comply with confidentiality and non-use provisions that are equivalent to those described in Section 8 with respect to Forma's Confidential Information, and (b) a requirement that the Sublicensee submit applicable sales or other reports to Company to the extent necessary or relevant to the reports required to be made or records required to be maintained under this Agreement. Notwithstanding any sublicense, Company shall remain primarily liable to Forma for the performance of all of Company's obligations under, and Company's compliance with all provisions of, this Agreement.

9.1.3 Trademarks. Company shall use the Forma Trademarks in a manner consistent with this Agreement and the trademark usage guidelines provided by Forma prior to or as of the Effective Date and, with respect to such provided guidelines, as updated in writing from time-to-time. Company shall not use any marks that are confusingly similar to a Forma Trademark in a country in which Forma holds such Trademark. All rights in each of the Forma Trademarks shall remain at all times the sole property of Forma, and all use of such Forma Trademarks shall inure to the benefit of Forma. Company agrees not to contest Forma's ownership of the Forma Trademarks.

9.1.4 Forma Third Party In-Licenses. If Forma wishes to enter into any Forma Third Party In-License, Forma shall notify Company no later than [***] days prior to the anticipated mutual execution date of such Forma Third Party In-License, and the Parties shall negotiate for terms under which Company would pay Forma the applicable payments that result from Company's exercise of the intellectual property rights sublicensed to Company under such Forma Third Party In-License. Upon the Parties agreeing upon terms in writing under which Company would pay Forma such applicable payments, such intellectual property rights shall be deemed "Controlled" by Forma and licensed to Company under Section 9.1.

9.2 Retained Rights. For the avoidance of doubt, notwithstanding the provisions of Section 9.1 or any other provision of this Agreement, Forma shall retain rights under the Forma Technology and Joint Technology to perform its responsibilities under this Agreement.

9.3 No Implied Licenses. Except as specifically set forth in this Agreement, neither Party shall acquire any license or other right or interest, by implication or otherwise, in any intellectual property rights of the other Party or any of its Affiliates.

9.4 No Other Rights. Except as otherwise expressly provided in this Agreement, under no circumstances shall a Party, as a result of this Agreement, obtain any ownership interest or other right in any Know-How, Patent Rights or other intellectual property rights of the other Party, including items owned, controlled or developed by the other Party, or provided by the other Party to the receiving Party at any time pursuant to this Agreement.

9.5 Exclusivity. From the Effective Date until the [***] anniversary of the assignment of the Approved NDA to Company, [***] shall not, and shall cause its Affiliates not to, directly or indirectly, alone or with any Third Party, (a) Develop, Manufacture, or Commercialize any [***]; (b) grant a license, sublicense, or other rights to any Third Party to Develop, Manufacture, or Commercialize any [***]; or (c) sell, convey, or otherwise assign or transfer any [***] to any Third Party.

10. FINANCIAL TERMS; ROYALTY REPORTS; PAYMENTS AND AUDITS

10.1 Upfront Payment. Within [***] days following the Effective Date, Company shall pay Forma an upfront payment in the amount of two million United States dollars ($2,000,000).

10.2 Development and Regulatory Milestone Payments. During the Term, Company shall provide Forma with written notice of the achievement by or on behalf of Company or any of its Related Parties of any of the following development and regulatory milestone events set forth below in this Section 10.2 within [***] days after such event has occurred, and Company shall pay the associated non-refundable, non-creditable, and not subject to set-off, milestone payment within [***] days of receipt of an invoice from Forma regarding the achievement of such development or regulatory milestones event by Company or any of its Related Parties. Each development and regulatory milestone payment shall be payable only once.

Development and Regulatory Milestone Event	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Total:	[***]

10.3 Commercial Milestones. During the Term Company shall provide Forma with written notice of the achievement by Company or any of its Related Parties of any of the following commercial milestone events set forth below in this Section 10.3 within [***] days after the end of the Calendar Quarter in which such event has occurred, and Company shall pay the associated, non-refundable, non-creditable, and not subject to set-off, milestone payment within [***] days of receiving an invoice from Forma for the achievement of such commercial milestone event. Company shall pay the associated, non-refundable, non-creditable, and not subject to set-off, milestone payment within [***] days of receiving an invoice from Forma for the achievement of such commercial milestone event. The Parties acknowledge that more than one commercial milestone payment may become due and payable in any given Calendar Year. Each commercial milestone payment set forth below shall be payable only once, regardless of the number of times a commercial milestone event is achieved.

Commercial Milestone Event	Commercial Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Total:	[***]

For purposes of this Section 10.3, "**Cumulative Net Sales**" means the aggregate total amount of Net Sales made (a) by Company and its Related Parties in the United States, and (b) by Company and its Affiliates in all countries and jurisdictions outside the United States (for clarity, excluding its Sublicensees).

10.4 Royalties Payable to Forma.

10.4.1 Royalty Rates.

(a) Subject to the terms and conditions of this Agreement, Company shall pay to Forma royalties on the Calendar Year cumulative Net Sales of all Licensed Products in the U.S. by Company and its Related Parties, during the Royalty Term, as follows:

Calendar Year Cumulative Net Sales of Licensed Products in the U.S.	Royalty (as a percentage of Net Sales)
Portion less than or equal to [***]	[***]
Portion greater than [***] and less than or equal to [***]	[***]
Portion greater than [***] and less than or equal to [***]	[***]
Portion greater than [***]	[***]

(b) Subject to the terms and conditions of this Agreement, including Section 10.7, Company shall pay to Forma royalties on the Calendar Year cumulative Net Sales of all Licensed Products in the Territory outside the U.S. by Company and its Affiliates and, for clarity, not Sublicensees, during the Royalty Term, as follows:

Calendar Year Cumulative Net Sales of Licensed Products by Company and its Affiliates (excluding its Sublicensees) Outside the U.S.	Royalty (as a percentage of Net Sales)
Portion less than or equal to [***]	[***]
Portion greater than [***] and less than or equal to [***]	[***]
Portion greater than [***] and less than or equal to [***]	[***]
Portion greater than [***]	[***]

10.5 Royalty Term. The period during which the royalties set forth in Section 10.4.1 and the sales milestones set forth in Section 10.3 shall be payable on a country-by-country basis, shall commence with the First Commercial Sale of a Licensed Product in such country and continue until the latest of (a) the expiration of the last Valid Claim that Covers such Licensed Product in such country, (b) the expiration of Regulatory Exclusivity for such Licensed Product in such country, and (c) the [***] anniversary of the First Commercial Sale of such Licensed Product in such country (each such period, a "**Royalty Term**").

10.6 Royalty Reductions.

10.6.1 Generic Competition; No Valid Claim. Subject to Sections 13.5.4 and 13.5.5, on a country-by-country basis, if royalties are payable under Section 10.4.1 on Net Sales of a particular Licensed Product in a country after the earlier of (a) the date when a Generic Product of such particular Licensed Product is granted Regulatory Approval in such country, or (b) the date of expiration of the last Valid Claim that Covers such Licensed Product in such country, then the royalty rates payable to Forma during the Royalty Term with respect to such Licensed Product in such country shall be reduced by [***] of the royalty rates that would otherwise apply.

10.6.2 Royalty Stacking. Subject to Sections 13.5.4 and 13.5.5, if Company reasonably determines that it is necessary to acquire rights under a Third Party's Patent Rights in order for Company to Develop, Manufacture or Commercialize the Licensed Products under this Agreement, Company shall have the right to negotiate and acquire such rights, through a license or otherwise, and to deduct from the royalty payments due to Forma under this Agreement up to [***] of the payments made by Company to such Third Party in the applicable Calendar Quarter.

10.7 Sublicense Revenue.

10.7.1 With respect to a Sublicense that includes the grant of a Sublicense Ex-US with a Sublicensee that is not an Affiliate of Company:

(a) if such Sublicense is executed on or prior to [***] of the Effective Date, then Company shall pay or transfer to Forma:

(i) if such Sublicensee is a Forma Sublicensee, then (A) [***] of Sublicense Revenue that consists of monetary upfront payments, and (B) [***] of all remaining Sublicense Revenue, in each case actually received from such Sublicensee in accordance with Section 10.8, or

(ii) if such Sublicensee is not a Forma Sublicensee, then [***] of all Sublicense Revenue actually received from such Sublicensee in accordance with Section 10.8.

(b) if such Sublicense is executed after [***] of the Effective Date, then Company shall pay Forma:

(i) if Company has not initiated any Clinical Study, then [***] of all Sublicense Revenue actually received from such Sublicensee in accordance with Section 10.8, or

(ii) if Company has initiated at least one Clinical Study, then [***] of all Sublicense Revenue actually received from such Sublicensee in accordance with Section 10.8.

10.7.2 With respect to Sublicensee Equities, Company or its Affiliates shall hold such Sublicensee Equities (and exercise all exercisable rights under such Sublicensee Equities, including voting and preferential rights) until such Sublicensee Equities are freely transferrable to Forma with no restrictions per the terms of such Sublicensee Equities, and thereafter shall transfer the percentage applicable to such Sublicensee Equities as Sublicense Revenue in accordance with Section 10.7. For clarity, Company shall have no obligation to provide Forma with the monetary value of Sublicensee Equities at any time, and shall only be obligated to transfer Sublicensee Equities to Forma as described hereunder.

10.8 Reports; Payment of Royalty and Sublicense Revenue. Commencing on the earlier of: (a) the First Commercial Sale of a Licensed Product; and (b) the grant of a Sublicense or receipt of Sublicense Revenue, Company shall provide Forma with a written report within [***] days after the end of each Calendar Quarter showing the Net Sales of the Licensed Product in the Territory, the type and amount of permitted deductions from gross sales to determine such Net Sales, and the royalties payable under this Agreement and the Sublicense Revenue received and the Sublicense Revenue payable under this Agreement, in each case, with respect to each such Licensed Product. Royalties and Sublicense Revenue shown to have accrued by each written report shall be due and payable within [***] days after the date such written report is due.

10.9 Audits.

10.9.1 Upon the written request of a Party and not more than once in each Calendar Year, the other Party and its Related Parties shall permit an independent certified public accounting firm of internationally-recognized standing selected by the requesting Party and reasonably acceptable to the other Party, at the requesting Party's expense except as set forth below, to have access during normal business hours to such of the records of the other Party as may be reasonably necessary to verify the accuracy of the royalty and other amounts payable or reports under this Agreement for any year ending not more than [***] prior to the date of such request for the sole purpose of verifying the basis and accuracy of amounts invoiced or payments made and compliance with the financial terms of this Agreement. Notwithstanding the foregoing, a Party may not make more than [***] such request in a Calendar Year.

10.9.2 If such accounting firm identifies a discrepancy made during such period, then the appropriate Party shall pay the other Party the amount of the discrepancy, within [***] days after the date the requesting Party delivers to the other Party such accounting firm's written report so concluding, or as otherwise agreed by the Parties in writing. The fees charged by such accounting firm shall be paid by the requesting Party, unless such discrepancy represents an underpayment by the other Party of at least [***] of the payments due in the audited period, in which case such fees shall be paid by the other Party.

10.9.3 Unless an audit for such year has been commenced prior to and is ongoing upon the [***] anniversary of the end of such year, the calculation of royalties, expense reimbursement and other payments payable or amounts invoiced under this Agreement with respect to such year shall be binding and conclusive upon both Parties, and each Party and its Related Parties shall be released from any further liability or accountability with respect to such royalties or expense reimbursement for such year.

10.9.4 Each Party shall treat all financial information subject to review under this Section 10.9 or under any sublicense agreement in accordance with the confidentiality and non-use provisions of Section 8, and shall cause its accounting firm to enter into a confidentiality agreement with the other Party obligating the accounting firm to retain all such information in confidence pursuant to such confidentiality agreement, which terms shall be no less stringent than the provisions of Section 8.

10.10 Payment Exchange Rate. All payments to be made under this Agreement shall be made in United States dollars and shall be paid by bank wire transfer in immediately available funds to such bank account in the United States as may be designated in writing by payee from time to time. In the case of Net Sales made by Company and its Related Parties in currencies other than United States dollars during a Calendar Quarter, the rate of exchange to be used in computing the amount of United States dollars due shall be Company's then-current standard exchange rate methodology as applied in its external reporting for the conversion of foreign currency sales into United States dollars.

10.11 Late Payments. If a Party does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to such Party from the due date until the date of payment at a per-annum rate of the London Inter-Bank Offered Rate (or its replacement designated by the Board of Governors of the Federal Reserve System) plus [***] or the maximum rate allowable by applicable Laws, whichever is less.

10.12 Blocked Payments. If, by reason of Laws in any jurisdiction in the Territory, it becomes impossible or illegal for Company to transfer milestone payments, royalties or other payments under this Agreement to Forma, the payor shall promptly notify the payee. During any such period described above, Company shall deposit such payments in local currency in the relevant jurisdiction to the credit of Forma in a recognized banking institution designated by Forma or, if none is designated by Forma within a period of [***] days, in a recognized banking institution selected by Company and identified in a written notice given to Forma.

10.13 Taxes. Each Party shall use reasonable efforts to minimize tax withholding on payments made to the other Party. Notwithstanding such efforts, if tax withholding are required under the Laws of any country with respect to payments to Forma, Company shall first notify Forma and provide Forma with at least [***] days to determine whether there are actions Forma can undertake to avoid such withholding. During this [***]-day notice period, Company shall refrain from making such payment until Forma instructs Company that (a) Forma intends to

take actions (satisfactory to both Parties) that shall obviate the need for such withholding, in which case Company shall make such payment only after it is instructed to do so by Forma, or (b) Company should make such payment and withhold the required amount and pay it to the appropriate Governmental Authority and Company shall promptly provide Forma with copies of receipts or other evidence reasonably required and sufficient to allow Forma to document such tax withholdings adequately for purposes of claiming foreign tax credits and similar benefits, the Parties shall cooperate reasonably in completing and filing documents required under the provisions of any applicable tax laws or under any other applicable Law, in connection with the making of any required tax payment or withholding payment, or in connection with any claim to a refund of or credit for any such payment, and the Parties shall cooperate to minimize such taxes in accordance with applicable Laws, including using reasonable efforts to access the benefits of any applicable treaties.

10.14 Payment of Back Royalties. If Company would owe a royalty payment to Forma under this Section 10 but for a decision by a court or other governmental agency of competent jurisdiction holding a patent claim unenforceable, unpatentable or invalid and if such decision is later vacated or reversed by a final nonappealable decision by a court or other governmental agency of competent jurisdiction such that such claim qualifies as a Valid Claim that Covers the Licensed Product in the Territory, Forma may invoice Company for such unpaid royalty payments after such decision is vacated or reversed and Company shall make any such unpaid royalty payments to Forma within [***] days after receipt of such invoice, provided Company shall have the right to deduct any and all costs and expenses incurred by Company in connection with defending such Valid Claim.

11. REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Mutual Representations and Warranties as of the Effective Date. Each Party represents and warrants to the other Party that, as of the Effective Date:

11.1.1 Such Party is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation.

11.1.2 Such Party has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations under this Agreement.

11.1.3 All requisite corporate action on the part of such Party, its directors and stockholders required by applicable Laws for the authorization, execution and delivery by such Party of this Agreement, and the performance of all obligations of such Party under this Agreement, has been taken.

11.1.4 The execution, delivery and performance of this Agreement, and compliance with the provisions of this Agreement, by such Party do not and shall not: (a) violate any provision of applicable Laws or any ruling, writ, injunction, order, permit, judgment or decree of any Governmental Authority, (b) constitute a breach of, or default under (or an event which, with notice or lapse of time or both, would become a default under) or conflict with, or give rise to any right of termination, cancellation or acceleration of, any agreement, arrangement or instrument, whether written or oral, by which such Party or any of its assets are bound, or (c) violate or conflict with any of the provisions of such Party's organizational documents (including any articles or memoranda of organization or association, charter, bylaws or similar documents).

11.1.5 No consent, approval, authorization or other order of, or filing with, or notice to, any Governmental Authority or other Third Party is required to be obtained or made by such Party in connection with the authorization, execution and delivery by the Company of this Agreement.

11.2 Additional Representations and Warranties of Forma. Except as provided in Schedule 11.2, attached hereto and incorporated herein by reference, Forma represents and warrants to Company that, as of the Effective Date:

11.2.1 (a) Forma has sufficient legal or beneficial title and ownership of, or sufficient license rights under, the Forma Technology to grant the licenses under such Forma Technology to Company pursuant to this Agreement; (b) to Forma's knowledge, neither any license granted by Forma or its Affiliates to any Third Party,

nor any license granted by any Third Party to Forma or its Affiliates, conflicts with the rights and licenses granted under the Forma Technology to Company hereunder; and (c) Forma Controls the Forma Know-How, Forma Patent Rights (including those set forth on Schedule 11.2.2) and Forma Trademarks (including those set forth on Schedule 1.54).

11.2.2 (a) Schedule 11.2.2 sets forth a complete and accurate list of the Forma Patent Rights existing as of the Effective Date, and Schedule 1.54 sets forth a complete and accurate list of the Forma Trademarks existing as of the Effective Date, (b) to Forma's knowledge, the Forma Patent Rights are, or, upon issuance, shall be, in full force and effect, valid and enforceable and no Third Party has challenged or threatened to challenge, or has a reasonable basis to challenge, the scope, validity or enforceability of any Forma Patent Rights (including, by way of example, through opposition or the institution or written threat of institution of interference, nullity or similar invalidity proceedings before the United States Patent and Trademark Office or any analogous foreign Governmental Authority), (c) Forma or its Affiliates have timely paid all filing and renewal fees payable with respect to the Forma Patent Rights and Forma Trademarks for which Forma controls prosecution and maintenance, and (d) Forma has not engaged in, and will not engage in, any inequitable conduct in the course of prosecuting Forma Patent Rights or Forma Trademarks, and has prosecuted and maintained, and will prosecute and maintain, Forma Patent Rights and Forma Trademarks in good faith and complied with all duties of disclosure with respect thereto.

11.2.3 Forma and its Affiliates have obtained from all inventors of the Forma Technology owned by Forma or its Affiliates valid and enforceable agreements assigning to Forma or its Affiliates each such inventor's entire right, title and interest in and to all such Forma Technology, and no Person has claimed or has a reasonable basis to claim that the Forma Technology has been misappropriated or such Person has any right, title and interest in and to the Forma Technology owned by Forma or its Affiliates.

11.2.4 Forma has the full right and authority to grant all of the rights and licenses granted to Company (or purported to be granted to Company) hereunder, and neither Forma nor its Affiliates have granted any right or license to any Third Party relating to any of the Forma Technology that would conflict with or limit the scope of any of the rights or licenses granted to Company hereunder.

11.2.5 Forma is the sole and exclusive owner of the Forma Patent Rights. All Affiliates of Forma have exclusively licensed or assigned all of their right, title, and interest in and to the Forma Patent Rights to Forma. Neither Forma nor any of its Affiliates has granted any mortgage, pledge, claim, security interest, lien, or other charge of any kind on the Forma Patent Rights, and the Forma Patent Rights are free and clear of any mortgage, pledge, claim, security interest, lien, or charge of any kind.

11.2.6 (i) Neither Forma nor its Affiliates have received any written notice of any claim that any intellectual property or proprietary right of a Third Party would be violated, infringed or misappropriated by the Development, Manufacture, or Commercialization of the Licensed Products; and (ii) [***] to Forma's knowledge, the Development or Manufacture of the Licensed Products, as conducted by or on behalf of Forma or its Affiliates, has not violated, infringed, or misappropriated any intellectual property or proprietary right of any Third Party; and (iii) [***] to Forma's knowledge, the Development, Manufacture, or Commercialization of the Licensed Products, as contemplated to be conducted under this Agreement, shall not violate, infringe, or misappropriate any intellectual property or proprietary right of any Third Party. [***]

11.2.7 The agreements listed on Schedule 1.44 are all the contracts and agreements that Forma has entered into that solely relate to the Manufacture or Commercialization of Olutasidenib or the Licensed Product. All Forma Agreements are in full force and effect, and Forma has not received any notice of alleged breach by or on behalf of Forma of any Forma Agreements by the applicable counterparty to such Forma Agreements.

11.2.8 NDA 215814 is owned solely by Forma and is the only NDA in existence as of the Effective Date owned or Controlled by Forma for the Licensed Product.

11.2.9 IND 127313 and IND 139611 are owned solely by Forma and are the only U.S. INDs in existence as of the Effective Date owned or Controlled by Forma for the Licensed Product.

11.2.10 To Forma's knowledge, all of the Existing Inventory to be transferred to Company under this Agreement shall, on the date of delivery to Company or its designees, conform to the representations and warranties provided by the Third Party Manufacturer of such Existing Inventory and, to the extent any of the Existing Inventory does not so conform to such representations and warranties, the Parties shall cooperate together to pursue any and all remedies that may be available under the relevant contract between Forma and such Third Party in connection with such breach; provided that (i) Company shall have the sole authority to select the remedy and actions to be pursued, (ii) Forma shall take reasonable direction from the Company to the extent applicable to such rights to facilitate Company's efforts in connection with such enforcement action and consistent with the relevant agreement and (iii) any recoveries or other remedies achieved or acquired in connection with such enforcement action shall be for the benefit of Company to the extent Company has purchased the relevant Existing Inventory from Forma.

11.2.11 All Licensed Product transferred to Company under this Agreement shall on the date of delivery to Company or its designees (a) meet the applicable specifications, (b) have been Manufactured in accordance with all applicable Laws, including cGMP, and (c) have at least twenty-four (24) (or such other time period mutually agreed to by the Parties in writing in advance) months of shelf life remaining from the date of its delivery to Company.

11.2.12 Neither Forma nor any of its Affiliates has made a claim against a Third Party alleging that such Third Party is violating or has violated, is infringing or has infringed, or is misappropriating or has misappropriated any Forma Technology, and, to the knowledge of Forma, no Forma Technology is being violated, infringed, or misappropriated by any Third Party.

11.2.13 Each Forma Sublicensee has entered into a confidentiality agreement with Forma and has undertaken a review of certain documents maintained in a virtual data room by Forma.

11.3 Additional Representations, Warranties and Covenants of Company. Company represents and warrants to Forma that, as of the Effective Date:

11.3.1 Company has, and shall have during the Term, the necessary personnel, expertise, technology, processes, and infrastructure in place to Commercialize the Licensed Products in the Field in the Territory in accordance with the requirements of applicable Regulatory Authorities and applicable Laws.

11.3.2 Prior to the assignment of the Approved NDA from Forma to Company, Company shall perform all necessary actions required by the FDA or applicable Laws to ensure that it shall be ready to accept regulatory responsibility for the Approved NDA from and after the date of assignment of the Approved NDA to Company, including, without limitation and to the extent applicable and subject to the obligations of the Parties under this Agreement, maintain the global safety database, satisfy post-marketing requirements to the extent required to do so under this Agreement, meet the Structured Product Labeling standard, and timely file Orange Book listing forms to the extent required in order to perfect such assignment.

11.4 Warranty Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY WITH RESPECT TO ANY TECHNOLOGY, FORMA TECHNOLOGY, JOINT TECHNOLOGY, FORMA TRADEMARK, PRODUCT, LICENSED PRODUCT, PROGRAM, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT WITH RESPECT TO ANY AND ALL OF THE FOREGOING. EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE FDA WILL APPROVE THE INITIAL NDA, THAT THE DEVELOPMENT, MANUFACTURE OR COMMERCIALIZATION OF ANY LICENSED PRODUCT PURSUANT TO THIS AGREEMENT SHALL BE SUCCESSFUL OR THAT ANY PARTICULAR SALES LEVEL WITH RESPECT TO ANY LICENSED PRODUCT SHALL BE ACHIEVED.

11.5 Certain Other Covenants.

11.5.1 Compliance. Company and its Related Parties shall Develop, Manufacture and Commercialize the Licensed Products in material compliance with this Agreement and all applicable Laws, including GLP, GCP and cGMP.

11.5.2 Conflicting Agreements. Neither Party shall enter into any agreement with any Third Party that would conflict with, limit or restrict such Party's ability to comply with this Agreement.

11.5.3 No Debarment. Each Party shall not knowingly use, in any capacity in connection with this Agreement or the performance of its obligations under this Agreement, any Person that has been debarred pursuant to Section 306 of the FD&C Act, or that is the subject of a conviction described in such section. Each Party agrees to inform the other Party in writing immediately if it or any Person that is performing activities under this Agreement, becomes debarred or subject to a debarment proceeding or is the subject of a conviction described in Section 306, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to the best of such Party's knowledge, is threatened, relating to the debarment or conviction of such Party or any Person or entity used in any capacity by such Party or any of its Affiliates in connection with performance of its other obligations under this Agreement.

12. INDEMNIFICATION; LIMITATION OF LIABILITY; INSURANCE

12.1 General Indemnification by Company. Company shall indemnify, hold harmless and defend Forma, its Affiliates, and their respective directors, officers, employees and agents ("**Forma Indemnitees**") at Company's cost and expense, from and against any and all losses, liabilities, damages, costs, fees and expenses (including reasonable attorneys' fees and litigation expenses) (collectively, "**Losses**") in connection with any Third Party claims (including product liability claims) to the extent arising out of or resulting from (a) the Development, Manufacture or Commercialization of the Licensed Products by or on behalf of Company or its Sublicensees in the Territory, (b) any breach of, or inaccuracy in, any representation or warranty made by Company in this Agreement, or any breach or violation of any covenant or agreement of Company in or in the performance of this Agreement, or (c) the negligence or willful misconduct by or of Company and its Sublicensees and subcontractors, and their respective directors, officers, employees and agents in the performance of Company's obligations under this Agreement; or (d) any Forma Assigned Agreement as a result of, or in connection with, events or occurrences on or after the date such Forma Assigned Agreement is assigned to Company (including any payments that accrued on or after the date of such assignment). Company shall have no obligation to indemnify the Forma Indemnitees for any Losses to the extent Forma is obligated to indemnify Company under Section 12.2 for such Losses.

12.2 General Indemnification by Forma. Forma shall indemnify, hold harmless, and defend Company, its Affiliates and their respective directors, officers, employees and agents ("**Company Indemnitees**") at Forma's cost and expense from and against any and all Losses in connection with any Third Party claims to the extent arising out of or resulting from (a) any breach of, or inaccuracy in, any representation or warranty made by Forma in this Agreement, or any breach or violation of any covenant or agreement of Forma in or in the performance of this Agreement, (b) the gross negligence or willful misconduct by or of Forma and its subcontractors, and their respective directors, officers, employees and agents in the performance of Forma's obligations under this Agreement, or (c) any Forma Assigned Agreement as a result of, or in connection with, events or occurrences prior to the date such Forma Assigned Agreement is assigned to Company (including any payments that accrued prior to the date of such assignment but which do not become payable until after the date of such assignment), to the extent that such Losses did not arise out of or result from Company's activities or instructions. Forma shall have no obligation to indemnify the Company Indemnitees for any Losses to the extent Company is obligated to indemnify Forma under Section 12.1 for such Losses.

12.3 Indemnification Procedure. In the event of any claim against any Company Indemnitee or Forma Indemnitee (individually, an "**Indemnitee**") for which indemnification is sought hereunder, the indemnified Party shall promptly notify the other Party in writing of the claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice will not relieve the indemnifying Party of its indemnification obligation under this Agreement except and only to the extent that the indemnifying Party is actually prejudiced as a result of such failure to give notice) and the indemnifying Party shall manage and control, at its sole expense, the defense of the claim and its settlement. The Indemnitee shall cooperate with the indemnifying Party and may, at its option and expense, be represented in any such action or proceeding. The indemnifying Party shall not be liable for any

settlements, litigation costs or expenses incurred by any Indemnitee without the indemnifying Party's written authorization. Notwithstanding the foregoing, if the indemnifying Party believes that any of the exceptions to its obligation of indemnification of the Indemnitees set forth in Sections 12.1 or 12.2 may apply, the indemnifying Party shall promptly notify the Indemnitees, which shall then have the right to be represented in any such action or proceeding by separate counsel at their expense, provided that the indemnifying Party shall be responsible for payment of such expenses if the Indemnitees are ultimately determined to be entitled to indemnification from the indemnifying Party for the matters to which the indemnifying Party notified the Indemnitees that such exception(s) may apply.

12.4 Limitation of Liability. NEITHER PARTY HERETO SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, INCLUDING LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THE AGREEMENT, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES, EXCEPT AS A RESULT OF A PARTY'S WILLFUL MISCONDUCT OR A BREACH OF SECTION 8. NOTHING IN THIS SECTION 12.4 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY.

12.5 Insurance. During (i) the Term and for a period of [***] years thereafter with respect to Company, and (ii) the Transition Period with respect to Forma, each Party, at its sole cost and expense, shall obtain and maintain in full force and effect the following minimum insurance coverage for worldwide occurrences and claims, with financially sound and nationally reputable commercial insurers with AM Best ratings of not less than A-minus, during the applicable time periods set forth in (i) and (ii) above: (a) Commercial General Liability ([***]); (b) Workers Compensation in the amount required by applicable Laws; (c) Employers' Liability ([***]); (d) Commercial Auto Liability ([***]); (e) Commercial Umbrella Liability ([***]); (f) Clinical Trial and Product/Completed Operations Liability ([***]); and (g) Property Insurance coverage on an all-risk basis for materials, including materials in-transit, on a worldwide basis. Each Party shall furnish a certificate of insurance to the other Party evidencing such insurance coverages and providing any exclusions to such policies upon the other Party's reasonable request. Each Party shall provide the other Party with [***] days' advance written notice of any material change, non-renewal, or cancellation of any insurance coverages that occurs with respect to such insurance during the applicable time periods set forth in (i) and (ii) above.

13. INTELLECTUAL PROPERTY OWNERSHIP, PROTECTION AND RELATED MATTERS

13.1 Inventorship; Ownership.

13.1.1 Inventorship. Inventorship of inventions made during the course of the performance of this Agreement shall be determined in accordance with United States patent laws.

13.1.2 Ownership. Forma shall own the entire right, title and interest in and to all inventions it solely Invents (i.e., solely by one or more employees of Forma or its Affiliates (or a Third Party acting on any of their behalf)) during the Term. Company shall own the entire right, title and interest in and to all inventions it solely Invents (i.e., by one or more employees of Company or its Affiliates (or a Third Party acting on any of their behalf)) during the Term. The Parties shall jointly own the entire right, title and interest in and to all inventions they Invent jointly (i.e., by one or more employees of Forma or its Affiliates (or a Third Party acting on any of their behalf) and one or more employees of Company or its Affiliates that are Sublicensees (or a Third Party acting on any of their behalf)) during the Term.

13.1.3 Employee Assignment. Each Party shall ensure that all of its employees and all employees of its Affiliates that are Sublicensees who are acting under its or such Affiliates' authority in the performance of this Agreement assign to such Party under a binding written agreement all Know-How and Patent Rights discovered, made, conceived by such employee as a result of such employee's employment. In the case of all Third Parties acting in the performance a Party's obligations under this Agreement, such as consultants, subcontractors, licensees, Third Party Sublicensees, outside contractors, clinical investigators, agents, or non-employees working for non-profit academic institutions, the Party that engages such Third Party shall ensure that such Third Party is also so obligated under such an agreement, unless otherwise approved by the Parties.

13.1.4 Right to Practice Joint Technology. Subject to the rights, licenses (including the licenses granted to Company under Section 9.1) and obligations (including royalty obligations) of the Parties, both Parties are entitled to practice Joint Technology for all purposes on a worldwide basis and license Joint Technology without consent of and without a duty of accounting to the other Party. For the avoidance of doubt, Forma shall have no right to grant any rights or licenses under Joint Technology that would conflict with the exclusive licenses to Company in the Field in the Territory. Each Party shall grant and hereby does grant all permissions, consents and waivers with respect to, and all licenses under, the Joint Technology, throughout the world, necessary to provide the other Party with such rights of use and exploitation of the Joint Technology, and shall execute documents as necessary to accomplish the foregoing.

13.2 Prosecution of Forma Patent Rights and Joint Patent Rights.

13.2.1 Company, at its sole expense, shall have the first right, but not the obligation, to file, prosecute, and maintain (including the defense of any interference or opposition proceedings or *inter partes* review), all Forma Patent Rights and Joint Patent Rights in the Territory using outside counsel of its own and reasonably acceptable to Forma.

13.2.2 Company shall (a) furnish to Forma, via electronic mail or such other method as mutually agreed by the Parties, copies of all patent applications with respect to Forma Patent Rights or Joint Patent Rights to be filed pursuant to Section 13.2.1 and other material submissions and correspondence with the applicable patent offices in sufficient time to allow for review and comment by Forma, and (b) provide Forma and its patent counsel with an opportunity to consult with the Company and its patent counsel regarding the filing and contents of any such application, amendment, submission or response that relates to such Patent Rights. Forma shall provide Company and its patent counsel with a reasonable opportunity to consult with and provide comments to Forma and its patent counsel regarding the filing and contents of any such application, amendment, submission or response. All timely advice and suggestions of Forma and its patent counsel shall be taken into consideration in good faith by Company and its patent counsel in connection with such filing.

13.2.3 In the event that Company elects to cease patent protection on any Forma Patent Rights or Joint Patent Rights in the Territory, Company shall notify Forma at least [***] days before any such Patent Rights would become abandoned or otherwise forfeited. Forma may, upon written notice to Company, elect to assume prosecution and maintenance of such Forma Patent Rights or Joint Patent Rights in the Territory, and then Forma shall have the right (but not the obligation), at its sole cost and expense, to prosecute and maintain in the Territory patent protection on such Forma Patent Rights or Joint Patent Right in the name of Forma.

13.3 Third Party Infringement.

13.3.1 Notice of Infringement. During the Term, each Party shall promptly notify the other Party in writing of any known or suspected infringement or unauthorized use or misappropriation by a Third Party of Forma Technology or Joint Technology concerning any product intended for use in preventing, diagnosing or treating any disease or condition in humans (including Development, Manufacture, or Commercialization) in the Territory (such infringement or unauthorized use or misappropriation, "**Competing Infringement**") of which such Party becomes aware. The notifying Party shall provide the other Party with all evidence available to it supporting its belief that there is Competing Infringement.

13.3.2 Right to Enforce. Company shall have the first right, but not the obligation, to take any reasonable measures it deems appropriate with respect to any Competing Infringement in the Territory under any Forma Technology or Joint Technology. Such measures may include (a) initiating or prosecuting an infringement, misappropriation or other appropriate suit or action (each an "**Infringement Action**") in the Territory, or (b) subject to Section 9.1.2, granting adequate rights and licenses to any Third Party necessary to render continued Competing Infringement in the Territory non-infringing. Notwithstanding the foregoing, if Company does not inform Forma that it intends to either initiate such an Infringement Action or grant adequate rights and licenses to such Third Party within [***] days after Company's receipt of a notice of infringement pursuant to Section 13.3.1, then Forma shall have the second right, but not the obligation, to initiate such Infringement Action, but solely with respect to any Forma Technology or Joint Technology.

13.3.3 Control; Cooperation. The Party initiating any Infringement Action (such Party, the "**Responsible Party**") shall have the right to control the initiation and prosecution of any Infringement Action, including the right to select counsel therefor, at its own expense. If requested by the Responsible Party, the other Party shall join as a party to such Infringement Action and shall execute and cause its Affiliates to execute all documents necessary for the Responsible Party to initiate, prosecute, maintain or defend such action or proceeding. In addition, at the Responsible Party's request, the other Party shall provide reasonable assistance to the Responsible Party in connection with an Infringement Action at no charge to the Responsible Party except for reimbursement by the Responsible Party of reasonable Out-of-Pocket Costs incurred in rendering such assistance.

13.3.4 Sharing of Recoveries. Any amounts recovered by either Party pursuant to this Section 13.3 shall be used first to reimburse the Parties for their reasonable costs and expenses, including attorneys' fees incurred in making such recovery (which amounts shall be allocated pro rata if insufficient to cover the totality of such expenses) with any remainder to be retained by the recovering Party provided that amounts recovered by Company shall be treated as Net Sales hereunder, and shall be subject to the payment of royalties to Forma as provided pursuant to this Agreement.

13.4 Third Party Claims. If a Third Party sues a Party (the "**Sued Party**") alleging that the Sued Party's, or the Sued Party's Sublicensee's, Development, Manufacture or Commercialization of the Licensed Product infringes or shall infringe said Third Party's intellectual property ("**Third Party Infringement Claim**"), then upon the Sued Party's request and in connection with the Sued Party's defense of any such Third Party Infringement Claim, the other Party shall provide reasonable assistance to the Sued Party for such defense. The Sued Party shall keep the other Party, if such other Party has not joined in such suit, reasonably informed on a quarterly basis, in person or by telephone, prior to and during the pendency of any such suit. The Sued Party shall not enter into any settlement of any Third Party Infringement Claim that is instituted or threatened to be instituted against the other Party without the other Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; except that, such consent shall not be required if such settlement includes a release of all liability in favor of the other Party. Further, the Sued Party shall not settle or compromise any Third Party Infringement Claim, or knowingly take any other action in the course thereof, in a manner that materially adversely affects the other Party's rights or interests, without the written consent of such other Party.

13.5 [***]

13.5.1 [***]

13.5.2 [***]

13.5.3 [***]

13.5.4 Payment Floor. In no event shall any royalty payment payable to Forma pursuant to Section 10.4.1 during the Royalty Term for a Licensed Product in a country in any given Calendar Quarter, be reduced to less than (i) [***] of the amounts otherwise payable by Company for such Licensed Product in such Calendar Quarter pursuant to Section 10.4.1 as result of cumulative reductions set forth in Sections 10.6.1 and 10.6.2 and (ii) [***].

13.5.5 Carryforward. Any payments to Third Parties that would be available or offset against a payment under Section 10.6.1, 10.6.2 [***]may be carried over to subsequent Calendar Quarters until fully used in accordance with Section 10.6.1, 10.6.2 [***].

13.6 Common Interest. All information exchanged between the Parties representatives pursuant to this Section 13 regarding the preparation, filing, prosecution, maintenance, or enforcement of Patent Rights, [***] shall be deemed Confidential Information. In addition, the Parties acknowledge and agree that, with regard to such preparation, filing, prosecution, maintenance, and enforcement of the Forma Patent Rights and Joint Patent Rights the interests of the Parties as collaborators and licensor and licensee are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The Parties agree and acknowledge that they have not waived, and

nothing in this Agreement constitutes a waiver of, any legal privilege concerning such Patent Rights, including privilege under the common interest doctrine and similar or related doctrines.

13.7 Patent Term Extensions. The Parties shall cooperate with each other in obtaining patent term extensions in any country in the Territory where applicable to any Patent Right covering the Licensed Product. Such cooperation shall include diligently and timely conferring and coordinating with respect to such matters to ensure compliance with applicable filing deadlines, and agreeing on procedures to be followed by the Parties to ensure such compliance. In the event that elections with respect to obtaining such patent term extension are to be made or the Parties otherwise disagree, Company shall have the right to make the election or decision.

13.8 Prosecution and Enforcement of Forma Trademarks.

13.8.1 Prosecution of Forma Trademarks.

(a) Forma shall own all rights, title and interest in and to all Forma Trademarks. Company, at its sole expense, shall have the first right, but not the obligation, to file, prosecute, and maintain (including the defense of opposition proceedings and any equivalent proceedings and the opposition of Third Party Trademarks and trademark applications) all Trademarks for the Licensed Product in the Territory, including the Forma Trademarks, using outside counsel of its own and reasonably acceptable to Forma. Company shall consult Forma on all Trademark filing strategy and reasonably consider Forma's comments and suggestions. Upon written notice to Forma, Company shall have the right to elect not to use any Forma Trademark in any country in the Territory, at which time the license grant to Company with respect to such Forma Trademark set forth in Section 9.1.1 shall no longer include such Forma Trademark in such country. In the event that Company elects to cease prosecution and maintenance of any Forma Trademarks, Company shall notify Forma at least [***] days before any such Forma Trademarks would become abandoned or otherwise forfeited.

(b) Except with respect to the Forma Trademarks, Company, at its sole cost and expense shall be solely responsible for filing, prosecuting, and maintaining (including the defense of opposition proceedings and any equivalent proceedings and the opposition of Third Party Trademarks and trademark applications) and will own, all Trademarks in each country in the Territory that Company chooses to prosecute, using outside counsel of its own choice (the "**Company Trademarks**").

13.8.2 Enforcement of Forma Trademarks. During the Term, each Party will promptly notify the other Party in writing of any known or suspected infringement or unauthorized use or misappropriation by a Third Party of any Forma Trademarks for which Company has a license in the Territory. Company shall have the right, but not the obligation, to take any reasonable measures it deems appropriate, at its sole cost and expense, including initiating or prosecuting an infringement, misappropriation or other appropriate suit or action to enforce the Forma Trademarks in the Territory ("**Forma Trademark Infringement Action**"). Company shall have the right to control the initiation and prosecution of any Forma Trademark Infringement Action, including the right to select counsel therefor, at its own expense. If requested by Company, Forma shall join as a party to such Forma Trademark Infringement Action and will execute and cause its Affiliates to execute all documents necessary for Company to initiate, prosecute, maintain or defend such action or proceeding. In addition, at Company's request, Forma shall provide reasonable assistance to Company in connection with a Forma Trademark Infringement Action at no charge to Company except for reimbursement by Company of reasonable Out-of-Pocket Costs incurred by Forma in rendering such assistance.

14. TERM AND TERMINATION; REMEDIES

14.1 Term. The Agreement shall be effective as of the Effective Date and, unless terminated earlier pursuant to Section 14.2, this Agreement shall continue in effect until the expiration of the last to expire of the Royalty Terms ("**Term**").

14.2 Termination Rights. This Agreement may not be terminated by either Party except as provided in this Section 14.2.

14.2.1 Termination by Company for Convenience. Starting [***] months after the First Commercial Sale of such Licensed Product, Company shall have the right to terminate the Agreement in its entirety at any time upon [***] Business Days' prior written notice to Forma.

14.2.2 Termination for Breach. This Agreement may be terminated in its entirety at any time during the Term upon written notice by either Party if the other Party is in material breach of its obligations hereunder and has not cured such breach within [***] days in the case of a payment breach, or within [***] days in the case of all other breaches (such [***] days or [***] days, as applicable, the "**Cure Period**"), after notice requesting cure of the breach; provided, however, that if any breach is not reasonably curable within such applicable Cure Period, and if a Party is making a bona fide effort to cure such breach, such termination shall be delayed for a time period to be agreed by both Parties, not to exceed an additional [***] days, in order to permit such Party a reasonable period of time to cure such breach.

(a) Notwithstanding Section 14.2.2, if the Parties in good faith disagree as to whether there has been a material breach of this Agreement, then: (a) the Party that disputes whether there has been a material breach may contest the allegation by referring such matter, within [***] days following its receipt of notice of alleged material breach, for resolution in accordance with Sections 15.2 and 15.3; (b) the relevant Cure Period with respect to such alleged material breach shall be tolled from the date on which the Party that disputes whether there has been a material breach notifies the other Party of such dispute until the resolution of such dispute in accordance with the applicable provisions of this Agreement; (c) during the pendency of such dispute, all of the terms and conditions of this Agreement shall remain in effect and the Parties shall continue to perform all of their respective obligations hereunder; and (d) if it is ultimately determined that the breaching Party committed such material breach, then the breaching Party shall have the right to cure such material breach, after such determination, within the Cure Period (as may be extended in accordance with Section 14.2.2), which shall commence as of the date of such determination.

14.2.3 Termination by Company for NDA Approval Issues. Company may terminate this Agreement in its entirety upon delivery of [***] days' prior written notice to Forma in the event that the Initial NDA is not approved by the FDA on or before [***].

14.2.4 Termination by Company for Restrictions. Company may terminate this Agreement, immediately upon delivery of written notice to Forma, if a court of competent jurisdiction [***] issues an injunction or other order prohibiting the conduct of activities to Manufacture or have Manufactured, make, have made, use, import, export, offer for sale, sell or Commercialize the Licensed Products in the Field in the United States at any time during the Term ("**Injunction**").

14.2.5 Termination by Company for Safety Issue. Company may terminate this Agreement in its entirety upon [***] days' prior written notice to Forma in the event that the FDA withdraws the Approved NDA for the Licensed Product for reasons related to safety or effectiveness.

14.2.6 Termination by Forma on a Region-by-Region Basis. Notwithstanding anything in this Agreement, on a Region-by-Region basis, Forma shall have the right to terminate this Agreement with respect to such Region in the event (i) within the [***] year period following the Effective Date of this Agreement, the Company has not initiated any activities to sublicense the product in such Region and has not conducted any Development that would be helpful for the partnering and Development of the in such Region, or (ii) within the [***] year period following the Effective Date of this Agreement, the Company has not entered into a Sublicense with a Sublicensee to Develop, Manufacture and Commercialize Licensed Products in such Region in the Initial Indication in accordance with the terms of this Agreement; provided that (a) Forma or a Forma sublicensee, in each case with respect to such region, shall not have the right to undertake any Development or Commercialization that impairs or endangers the Development or Commercialization of the Licensed Product in the United States, and (b) if Company or any of its Affiliates is using Commercially Reasonable Efforts to perform any Development or Commercialization activities in such Region, then Forma shall not have the right to terminate this Agreement under this Section 14.2.6 with respect to such Region.

14.2.7 Challenges of Patent Rights. If, during the Term, Company (a) commences or participates in any action or proceeding (including any patent opposition or re-examination or inter partes or post-

grant review proceeding), or otherwise asserts any claim, challenging or denying the validity or enforceability of any claim of any Forma Patent Rights or (b) actively assists any other Person in bringing or prosecuting any action or proceeding (including any patent opposition or re-examination or inter partes or post-grant review proceeding) challenging or denying the validity or enforceability of any claim of such Patent Rights (each of (a) and (b), a "**Patent Challenge**"), then, to the extent permitted by the applicable Laws, Forma shall have the right, exercisable within [***] days following receipt of notice regarding such Patent Challenge, in its sole discretion, to give notice to Company that Forma may terminate the license(s) granted to Company for such Patent Rights pursuant to this Agreement within [***] days following such notice (or such longer period as Forma may designate in such notice), and, unless Company withdraws or causes to be withdrawn from all such Patent Challenge(s) (or in the case of *ex-parte* proceedings, multi-party proceedings, or other Patent Challenges that Company does not have the power to unilaterally withdraw or cause to be withdrawn, Company ceases actively assisting any other party to such Patent Challenge) within such [***]-day period, Forma shall have the right to terminate the license(s) granted under such Patent Rights to Company pursuant to the Agreement by providing written notice thereof to Company. Notwithstanding the foregoing, Forma shall not have a right to terminate any license(s) pursuant to this Section 14.2.6 with respect to any Patent Challenge that is made in response to and defense of any claim or action that Forma first asserts against Company or any of its Affiliates or Sublicensees.

14.2.8 Bankruptcy. In the event that the performance of the respective obligations of this Agreement become untenable as a result of a Party filing a petition of bankruptcy, enters into insolvency or liquidation proceedings either voluntarily or involuntarily, or if a receiver is appointed with respect to the assets of such Party, or any similar action is filed under applicable Laws, and such measure is not dismissed within [***] days, to the extent permitted by applicable Laws, the other Party may terminate this Agreement by written notice to such Party. Notwithstanding the foregoing, the Parties acknowledge that a Party to this Agreement may, from time-to-time, make changes in its corporate structure, including inter alia changes in the shareholdings of Affiliates, which would not constitute a case of bankruptcy under this Section 14.2.8.

14.3 Effect of Termination.

14.3.1 Consequences of Termination or Expiration of this Agreement. If this Agreement expires or is terminated by a Party prior to its expiration in its entirety at any time for any reason or on a Region-by-Region basis in accordance with Section 14.2.6, as applicable, then with respect to the Territory or terminated Region, as applicable, the following terms shall apply as specified below:

(a) Existing Inventory. In the event Company terminates this Agreement under Section 14.2.3 or 14.2.5 or Forma terminates this Agreement under Section 14.2.2, to the extent Company has not paid Forma for the Existing Inventory, Company shall return any unused Existing Inventory to Forma, and Forma shall issue an invoice to Company for the remaining unreturned Existing Inventory, and Company shall pay such invoice within [***] days of receipt of such invoice.

(b) Licenses. Upon termination of this Agreement in its entirety prior to expiration, the licenses granted by Forma to Company under this Agreement shall terminate and Company, its Affiliates, and its Sublicensees shall cease selling Licensed Products, provided that any perpetual and irrevocable licenses described in Section 9.1.1 that are then in effect shall survive any such termination.

(c) Return of Information and Materials. Upon termination prior to expiration, the Parties shall return (or destroy, as directed by the other Party) all data, files, records, and other materials containing or comprising the other Party's Confidential Information. Notwithstanding the foregoing, the Parties shall be permitted to retain one copy of such data, files, records, and other materials for archival and legal compliance purposes.

(d) Accrued Rights. Expiration or termination of this Agreement for any reason shall be without prejudice to any obligation or liability that has accrued to the benefit of a Party prior to the date of such termination. Such expiration or termination shall not relieve a Party from obligations that are expressly indicated to survive the termination of this Agreement.

(e) Survival. The following provisions of this Agreement shall survive the expiration or earlier termination of this Agreement: Section 1 (Definitions), Section 2.11 (Records; Audits) for the period of time set forth therein, Section 3.4 (Records) for the period of time set forth therein, Section 4.1 (Ownership of Regulatory Filings), Section 8 (Confidentiality and Publication) for the period set forth in Section 8.4 (Survival), Section 10.9 (Audits) for the period of time set forth therein, Section 11.4 (Warranty Disclaimer), Section 12 (Indemnification; Limitation of Liability; Insurance) and, with respect to Section 12.5 (Insurance), for the period of time set forth therein, Section 13.1.1 (Inventorship), Section 13.1.2 (Ownership), Section 13.1.4 (Right to Practice Joint Technology), Section 13.2 (Prosecution of Forma Patent Rights and Joint Patent Rights) solely as related to Joint Patent Rights, Section 13.3 (Third Party Infringement) solely as related to Joint Patent Rights, Section 14.3 (Effect of Termination), Section 14.4 (Special Consequences of Certain Terminations), Section 14.5 (Effect of Termination by Company under Section 14.2.4) and Section 15 (Miscellaneous).

14.4 Special Consequences of Certain Terminations. In addition to the terms set forth in Section 14.3.1, if this Agreement is terminated by a Party in its entirety (other by Company under Sections 14.2.2 or 14.2.8) or by Forma on a Region-by-Region basis in accordance with Section 14.2.6, then, with respect to the Territory or terminated Region, as applicable, the following additional terms shall also apply:

14.4.1 License to Forma for Licensed Products.

(a) Subject to the terms and conditions of this Agreement, including Section 14.4.1(b), Company shall and hereby does grant to Forma a sublicensable (through multiple tiers), transferable, worldwide, royalty-bearing, exclusive license or sublicense, as the case may be, under any Patent Rights or Know-How Controlled by Company or its Affiliates as of the effective date of termination that is reasonably useful or necessary to Develop, Manufacture, make, have made, use, sell, offer for sale, have sold, import and otherwise Commercialize the Licensed Product in the Field in the Territory or Region, as applicable (the "**Termination Patents**").

(b) Except in the event that Company terminates this Agreement under Sections 14.2.4 or 14.2.5, Forma will pay to Company a commercially reasonable royalty on the Net Sales (*mutatis mutandis*) of the Licensed Product until expiration of the applicable Post-Termination Royalty Term at a rate to be negotiated in good faith by the Parties, but not to exceed [***] of Net Sales, taking into account the relative contribution of the Parties to the Development of the Licensed Product and the potential commercial value of the Licensed Product given its or their state of development. Such royalty shall be subject to Section 10.6 (*mutatis mutandis*). Forma shall have no right to exercise the license described in Section 14.4.1(b) unless and until the Parties agree upon such royalty rate. Notwithstanding Section 14.2.2, Company shall have the right to terminate the license described in Section 14.4.1(a), and for clarity not this Agreement in its entirety, for Forma's uncured material breach of this Agreement, including a breach of Section 14.2.6(a), by delivery of [***] days written notice.

14.4.2 Know-How Transfer. Company shall transfer to Forma for use with respect to the Development, Manufacture and Commercialization of the Licensed Product, any Know-How in the possession of Company or its Affiliates as of the date of such termination that relates to such Licensed Product and is necessary or reasonably useful for the Development, Manufacture or Commercialization of such Licensed Product.

14.4.3 Regulatory Materials.

(a) Within [***] days following the effective date of the termination, to the extent legally permissible (including under then-existing agreements Company is a party to), Company, shall assign, and hereby does assign, to Forma all of Company's right, title, and interest (and shall cause Company's Affiliates to assign to Forma, such Affiliates' right, title and interest) in and to all Regulatory Filings solely for the Licensed Product Controlled by Company or its Affiliates, including any Regulatory Approvals and Pricing and Reimbursement Approvals that solely relate to the Licensed Product, and to the extent legally permissible (including under then-existing agreements Company is a party to) and not previously provided to Forma, Company shall (and shall cause its Affiliates to) use Commercially Reasonable Efforts to transfer such Regulatory Filings, the data included in such Regulatory Filings and all pharmacovigilance data (including all adverse event databases) on the Licensed Product.

(b) To the extent assignment pursuant to the foregoing clause is not permitted by the applicable Regulatory Authority, Company shall grant, and does hereby grant, to Forma a right of reference under all Regulatory Filings solely for the Licensed Product that are Controlled by Company or its Affiliates or Sublicensees.

14.4.4 Trademarks. Company shall license or sell to Forma any Company Trademarks and that are specific to Licensed Products solely for use with such Licensed Product; provided, however, that in no event shall Company have any obligation to license to Forma any trademarks used by Company other than in connection with a Licensed Product or any other trademarks of Company.

14.4.5 Stock of API and Finished Drug Product. Forma shall have the right to purchase from Company any or all of the inventory of Active Ingredient or finished drug product for the Licensed Product held by Company as of the effective date of termination, if any, at a price equal to Company's purchase price for such Active Ingredient or finished drug product. Forma shall notify Company within [***] days after the effective date of termination whether Forma elects to exercise such right.

14.4.6 Post-Termination Activities.

(a) The Parties wish to provide a mechanism to ensure that, assuming the Licensed Product is available to patients as of the reversion date, patients who were being treated with the Licensed Product prior to such termination or who desire access to the Licensed Product can continue to have access to the Licensed Product while the regulatory and commercial responsibilities for the Licensed Product are transitioned from Company to Forma. As such, at Forma's request and election, Company will perform the following transition activities: (1) transition Company's Commercialization activities (if any) to Forma to minimize disruption to sales, (2) provide patients with continued access to the Licensed Product (if applicable), (3) enable Forma (or Forma's designee) to assume and execute the responsibilities under all Regulatory Approvals, and (4) with respect to each ongoing Clinical Study for the applicable Licensed Product, upon Forma's request and election, Company shall either terminate such Clinical Study or transfer to Forma the management and continued performance of such Clinical Study (collectively, the "**Post-Termination Activities**")

(b) Forma may elect to have Company perform the applicable Post-Termination Activities by providing written notice to Company no later than [***] days following the effective date of the termination. If Forma requests Post-Termination Activities, the Parties shall mutually agree upon a transition plan for Company to perform the applicable Post-Termination Activities including delivery and transition dates. In addition, the Parties shall establish a transition committee consisting of at least each Party's Project Managers, and up to two (2) additional representatives from each Party who are from other relevant functional groups to facilitate a smooth transition. While Company is providing applicable Post-Termination Activities, Company and Forma shall agree on talking points and a communication plan to customers, specialty pharmacies, physicians, regulatory authorities, patient advocacy groups, and clinical study investigators, in each case only if applicable at the time of reversion, and Company shall make all such communications to such applicable entities in accordance with the mutually agreed talking points.

(c) Except in the event that Company terminates this Agreement under Section 14.2.3, Forma shall reimburse Company its internal costs and Out-of-Pocket Costs incurred by Company in the conduct of such Post-Termination Activities. In the event that Company terminates this Agreement under Section 14.2.3, Forma shall reimburse Company [***] of Company's internal costs and Out-of-Pocket Costs incurred by Company in the conduct of such Post-Termination Activities.

14.4.7 All rights and licenses granted under or pursuant to this Agreement by a Party are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that each Party, as licensee of certain rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against a Party (such Party, the "**Bankrupt Party**") under the U.S. Bankruptcy Code, the other Party shall be entitled to a complete duplicate of (or complete access to, as appropriate) any intellectual property licensed to such other Party and all embodiments of such intellectual property, which, if not already in such other Party's possession, shall be promptly delivered to it (a) upon any such commencement of a bankruptcy proceeding upon such other Party's written request therefor, unless the Bankrupt Party elects to continue to perform all of its obligations

under this Agreement or (b) if not delivered under clause (a), following the rejection of this Agreement by the Bankrupt Party upon written request therefor by the other Party.

14.5 Effect of Termination by Company under Section 14.2.4. If (a) an Injunction is granted prior to or on [***], (b) [***], and (iii) Company terminates this Agreement pursuant to this Section 14.2.4 within [***] Business Days after [***], then the [***] shall be deemed not to have been achieved and Company shall have no obligation to make the [***] milestone payment for the occurrence of [***] described in Section 10.2 to Forma.

15. MISCELLANEOUS

15.1 Assignment. Except as provided in this Section 15.1, this Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, either Party may, without the other Party's written consent, assign this Agreement and its rights and obligations hereunder in whole or in part to an Affiliate or to a party that acquires, by or otherwise in connection with, merger, sale of assets or otherwise, all or substantially all of the business of the assigning Party to which the subject matter of this Agreement relates, provided that the assignee assumes all of the assigning Party's obligations under this Agreement, subject to Section 15.14.2, and provided further that, if the assigning Party is Forma, Forma assigns to such assignee all of the intellectual property rights, including Patent Rights and Know-How, licensed to Company hereunder The assigning Party shall remain responsible for the performance by its assignee of this Agreement or any obligations hereunder so assigned. Any purported assignment in violation of this Section 15 shall be void.

15.2 Governing Law. The Agreement and any dispute or claim arising out of or in connection with it (whether contractual or non-contractual in nature such as claims in torts, from breach of statute or regulation or otherwise) shall be construed and the respective rights of the Parties determined in accordance with the substantive Laws of the State of New York, notwithstanding any provisions of New York Law or any other Law governing conflicts of laws to the contrary; provided that any dispute with respect to infringement, validity, or enforceability of any Patent Rights, shall be governed by and construed and enforced in accordance with the Laws of the jurisdiction in which such Patent Rights is issued or published.

15.3 Jurisdiction; Dispute Resolution.

15.3.1 Each Party by its execution hereof, (a) hereby irrevocably submits to the jurisdiction of the state and federal courts sitting in New York City, New York, for the purpose of any dispute arising between the Parties in connection with this Agreement (each, an "**Action**"), except as otherwise expressly provided in this Agreement; (b) hereby waives, to the extent not prohibited by applicable Laws, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Action, any claim that (i) it is not subject personally to the jurisdiction of the above-named court, (ii) its property is exempt or immune from attachment or execution, (iii) any such Action brought in the above-named court should be dismissed on grounds of forum non conveniens, should be transferred or removed to any court other than the above-named court, or should be stayed by reason of the pendency of some other proceeding in any other court other than the above-named court, or (iv) this Agreement or the subject matter hereof may not be enforced in or by such court; and (c) hereby agrees not to commence any such Action other than before the above-named court. Notwithstanding the previous sentence a Party may commence any Action in a court other than the above-named court solely for the purpose of enforcing an order or judgment issued by the above-named court.

15.4 Entire Agreement; Amendments. The Agreement contains the entire understanding of the Parties with respect to the subject matter hereof, and supersedes all previous arrangements with respect to the subject matter hereof, whether written or oral, including that Confidentiality and Non-disclosure Agreement effective [***], as amended on [***] (provided that all information disclosed or exchanged under such agreement shall be treated as Confidential Information hereunder). This Agreement (other than the Schedules attached hereto) may be amended, or any term hereof modified, only by a written instrument duly-executed by authorized representatives of both Parties hereto. The Schedules attached hereto may be amended, or any term hereof modified, only by a written instrument duly-executed by authorized representatives of both Parties hereto, except to the extent expressly provided in this Agreement.

15.5 Severability. If any provision hereof should be held invalid, illegal or unenforceable in any respect by a competent court in any jurisdiction, the invalid, illegal or unenforceable provision(s) shall be severed from this Agreement and shall not affect the validity of this Agreement as a whole.

15.6 Headings. The captions to the Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Sections hereof.

15.7 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

15.8 Interpretation. Except where the context expressly requires otherwise, (a) the use of any gender herein shall be deemed to encompass references to either or both genders, and the use of the singular shall be deemed to include the plural (and vice versa); (b) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation" and shall not be interpreted to limit the provision to which it relates; (c) the word "will" shall be construed to have the same meaning and effect as the word "shall"; (d) 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); (e) any reference herein to any Person shall be construed to include the Person's successors and assigns; (f) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in each of their entirety, as the context requires, and not to any particular provision hereof; (g) all references herein to Sections or Schedules shall be construed to refer to Sections or Schedules of this Agreement, and references to this Agreement include all Schedules hereto; (h) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (i) provisions that require that a Party, the Parties or any committee hereunder "agree," "consent" or "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 (but excluding e-mail and instant messaging); (j) references to any specific law, rule or regulation, or article, Section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof; and (k) the term "or" shall be interpreted in the inclusive sense commonly associated with the term "and/or."

15.9 No Implied Waivers; Rights Cumulative. Except as expressly provided in this Agreement, no failure on the part of Forma or Company to exercise, and no delay in exercising, any right, power, remedy or privilege under this Agreement, or provided by statute or at law or in equity or otherwise, shall impair, prejudice or constitute a waiver of any such right, power, remedy or privilege or be construed as a waiver of any breach of this Agreement or as an acquiescence therein, nor shall any single or partial exercise of any such right, power, remedy or privilege preclude any other or further exercise thereof or the exercise of any other right, power, remedy or privilege.

15.10 Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Forma, to:
Forma Therapeutics, Inc.
300 North Beacon Street, Suite 501
Watertown, MA 02472
U.S.A.
Attention: General Counsel

With a copy to:
Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02110
U.S.A.
Attention: Christopher Denn

If to Company, to:	Rigel Pharmaceuticals, Inc. 1180 Veterans Blvd South San Francisco, CA 94080 Attention: Contracts Department
With a copy to:	Rigel Pharmaceuticals, Inc. 1180 Veterans Blvd South San Francisco, CA 94080 Attention: General Counsel

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. In addition, each Party shall deliver a courtesy copy to the other Party's Project Manager concurrently with such notice. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered or sent by facsimile on a Business Day (or if delivered or sent on a non-Business Day, then on the next Business Day); (b) on receipt if sent by overnight courier; or (c) on receipt if sent by mail.

15.11 Compliance with Export Regulations. Neither Party shall export any technology licensed to it by the other Party under this Agreement except in compliance with U.S. export Laws and other applicable foreign export Laws.

15.12 Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement (except for payment of money obligations), to the extent that such failure or delay is caused by or results from causes which are enforceable and irresistible, potentially including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, epidemics, pandemics, fire, floods, earthquakes, explosions, or other acts of God. The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practicable, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances.

15.13 Independent Parties. It is expressly agreed that Forma and Company shall be independent contractors and that the relationship between Forma and Company shall not constitute a partnership, joint venture or agency. Forma shall not have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on Company, without the prior written consent of Company, and Company shall not have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on Forma without the prior written consent of Forma.

15.14 Performance by Affiliates.

15.14.1 Use of Affiliates. Each Party acknowledges and accepts that the other Party may exercise its rights and perform its obligations under this Agreement either directly or through one or more of its Affiliates. A Party's Affiliates shall have the benefit of all rights (including all licenses) of such Party under this Agreement. Accordingly, in this Agreement "Company" shall be interpreted to mean "Company or its Affiliates" and "Forma" shall be interpreted to mean "Forma or its Affiliates" where necessary to give each Party's Affiliates the benefit of the rights provided to such Party in this Agreement; provided, however, that in any event each Party shall remain responsible for the acts and omissions, including financial liabilities, of its Affiliates.

15.14.2 Future Acquisition of a Party or its Business. Notwithstanding Section 15.14.1 or anything to the contrary in this Agreement, in the event of an acquisition of a Party or its business by a Third Party (an "**Acquirer**") after the Effective Date, whether by merger, asset purchase or otherwise, as to any such Acquirer, the non-acquired Party shall not obtain rights, licenses, options or access to any Patent Rights, Know-How, product candidates or products that are held by the Acquirer or any Affiliate of the Acquirer that becomes an Affiliate of the acquired Party as a result of such acquisition (but excluding the acquired Party).

15.15 Acquired Programs. Notwithstanding Section 15.14.1 or anything to the contrary in this Agreement, in the event of either (a) an acquisition of [***] or all or substantially all of the assets of [***]

pertaining to this Agreement after the Effective Date by an Acquirer whether by merger, asset purchase or otherwise, or (b) an acquisition by [***] after the Effective Date of the business or assets of a Third Party, whether by merger, asset purchase or otherwise, that, in either case (a) or (b), includes any program(s) that if conducted by [***] would, but for this Section 15.15, violate Section 9.5 (each such program, a "**Competing Program**," and such acquired business or assets, an "**Acquired Business**"), then such Acquirer or Acquired Business, as applicable, and any Affiliate of the Acquirer, or Acquired Business that becomes an Affiliate of [***] as a result of such acquisition (but excluding the acquired Party), shall not be subject to the restrictions in Section 9.5 as to: (i) any such Competing Programs in existence prior to the closing date of such acquisition, or for the subsequent development and commercialization of such Competing Programs (including new products from any such Competing Programs), and (ii) only as to an Acquirer as described in (a) above, any new Competing Programs initiated after the closing date of such acquisition, or for the development and commercialization of any such new programs (and products therefrom); provided, however, that in each case (i) and (ii), (A) no [***] are used by or on behalf of the Acquirer of [***] (or any Affiliate of such Acquirer) or to conduct the Acquired Business, in each case in connection with such subsequent development and commercialization of any Competing Programs or new Competing Programs described in either clause (i) or (ii), (B) with respect any Competing Program acquired by [***], [***] shall either divest or terminate such Competing Program within [***] months after the closing of the transaction in which such Competing Program was acquired, and during such [***] month period, [***] (I) shall not use any employees, consultants or personnel of any kind that had received, conceived of, reduced to practiced, or developed any [***] to perform any activities with respect to such Competing Program or any such new programs, (II) shall establish and maintain robust policies and procedures to implement (I) above, (III) [***] shall have the right to perform reasonable audits of [***] to with respect to (I) and (II) above, and (C) upon the closing of such a transaction, [***]'s obligations to provide reports or information related to Development activities (including under Section 3.3.1) and reports or information related to Commercialization activities (including under Section 5.3) shall terminate. If [***] or an Acquirer, as applicable, commits an uncured material breach of this Section 15.15 and [***] therefore has the right to terminate this Agreement subject and pursuant to Section 14.2.2, then [***] may, with respect to such breach, elect by written notice to [***] or such Acquirer, as applicable. to either: (1) pursue any remedies that may be available to [***] at law or in equity under this Agreement, or (2) waive the right to pursue any remedies that may be available to [***] at law or in equity under this Agreement and opt to continue the Agreement in full force and effect, and any and all payments due to [***] from [***] after such uncured material breach shall automatically be reduced by [***].

15.16 Binding Effect; No Third Party Beneficiaries. As of the Effective Date, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Except as expressly set forth in this Agreement, no Person other than the Parties and their respective Affiliates and permitted assignees hereunder shall be deemed an intended beneficiary hereunder or have any right to enforce any obligation of this Agreement.

15.17 Counterparts. This Agreement may be executed via industry standard electronic signature application (e.g., DocuSign) and in counterparts with the same effect as if both Parties had signed the same document. All such counterparts will be deemed an original, will be construed together, and will constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a fax machine or by .pdf, .tif, .gif, .jpeg or similar attachment to electronic mail (any such delivery, an "Electronic Delivery") will be treated in all manner and respects as an original executed counterpart and will be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No Party hereto will raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated using Electronic Delivery as a defense to the formation of a contract, and each Party forever waives any such defense, except to the extent that such defense relates to lack of authenticity.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

RIGEL PHARMACEUTICALS, INC.

BY: /s/ Raul Rodriguez
NAME: Raul Rodriguez
TITLE: President and Chief Executive Officer

FORMA THERAPEUTICS, INC.

BY: /s/ Frank Lee
NAME: Frank Lee
TITLE: President and Chief Executive Officer

Schedule 1.38

Existing Inventory

[***]

Schedule 1.44

Forma Agreements

[***]

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

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Schedule 1.54
Forma Trademarks

ONPONDHI, serial no. 88604010
REZLIDHIA, serial no. 88603967

Schedule 1.98
Process Validation Batches

[***]

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

Schedule 2.1
Transition Plan

[***]

Schedule 3.2
Initial Development Plan

[***]

Schedule 8.3
Press Release

Rigel Pharmaceuticals and Forma Therapeutics Announce Licensing Agreement for Olutasidenib, a Novel Mutant IDH1 Inhibitor for the Potential Treatment of Relapsed or Refractory Acute Myeloid Leukemia

- Registrational Phase 2 data demonstrate olutasidenib's potential as a market-leading, oral, mutant isocitrate dehydrogenase-1 (mIDH1) inhibitor for the treatment of relapsed or refractory acute myeloid leukemia
- FDA has accepted Forma's NDA for olutasidenib, with a PDUFA target action date of February 15, 2023
- Forma to receive an upfront payment of $2.0 million and is eligible to receive an additional $17.5 million upon the achievement of certain near-term regulatory, approval, and first commercial sale milestones, as well as potential future development and commercial milestone payments and double-digit royalties
- If approved, olutasidenib would be Rigel's second commercial product in hematology-oncology and highly synergistic with Rigel's existing commercial and medical affairs infrastructure
- Rigel to host conference call today to discuss transaction details at 4:30 p.m. Eastern Time and will be joined by Key Opinion Leader and Phase 2 trial investigator, Jorge E. Cortes, M.D.

SOUTH SAN FRANCISCO, Calif. And WATERTOWN, Mass., August 2, 2022 – Rigel Pharmaceuticals, Inc. (Nasdaq: RIGL) and Forma Therapeutics, Inc. (Nasdaq: FMTX) today announced that they have entered into an exclusive, worldwide license agreement to develop, manufacture and commercialize olutasidenib, a potent, oral, small molecule inhibitor of mIDH1 being investigated for the treatment of relapsed/refractory acute myeloid leukemia (R/R AML) and other malignancies.

In a Phase 2 registrational study of olutasidenib in patients with mIDH1 R/R AML, olutasidenib demonstrated a robust composite complete remission rate and duration of response and was well-tolerated. The U.S. Food and Drug Administration (FDA) has accepted Forma's New Drug Application (NDA) for olutasidenib. The Prescription Drug User Fee Act (PDUFA) target action date is February 15, 2023.

"Olutasidenib is a potential market-leading treatment that we believe, based on the registrational Phase 2 data, can improve outcomes in patients with mIDH1+ relapsed or refractory acute myeloid leukemia, and is a strategic fit for our business," said Raul Rodriguez, Rigel's president and CEO. "This transaction expands our hematology-oncology portfolio and enables us to leverage our strong commercial capabilities to provide a potential new therapy for these patients who remain underserved despite currently available therapies."

"The compelling efficacy and safety data generated to date highlight the potential for olutasidenib to transform the treatment of mIDH1+ R/R AML. The development and approval of olutasidenib, pending a favorable FDA decision, would represent an important milestone for Forma that highlights our R&D capabilities," said Frank Lee, Forma's president and CEO. "Given Rigel's focus on hematologic diseases and cancers and the strength of their commercial infrastructure, we believe they are well-positioned to execute on our shared objective of delivering olutasidenib to patients in need."

The registrational cohort of the open-label Phase 2 study evaluated olutasidenib as monotherapy in 153 mIDH1+ R/R AML patients. The primary efficacy-evaluable population of the cohort was comprised of 123 R/R AML patients, who received olutasidenib 150 mg twice daily at least six months prior to the interim analysis cutoff date of June 18, 2020, and had a centrally confirmed IDH1 mutation. The primary endpoint was a composite of a complete remission (CR) plus a complete remission with partial hematological recovery (CRh), defined as less than 5% blasts in the bone marrow, no evidence of disease, and partial recovery of peripheral blood counts (platelets >50,000/microliter and ANC >500/microliter).
Results from the interim analysis of the trial[1] demonstrated a 33% CR+CRh in mIDH1+ R/R AML patients. Among those with CR+CRh, the estimated 18-month survival was 87% and the median duration of CR+CRh was not yet reached, with a more conservative sensitivity analysis indicating a median duration of 13.8 months. Importantly, these data provide compelling evidence of clinical efficacy with a durable response and a favorable tolerability profile, both of which we believe differentiates olutasidenib from other currently available treatment options for mIDH1+ R/R AML patients.

Olutasidenib was well-tolerated, with adverse events (AEs) being consistent with the late stage of disease and the heavily pre-treated population. A safety analysis for all 153 patients enrolled in the registrational Phase 2 study found the most common grade 3/4 (≥ 10%) treatment-emergent adverse events (TEAEs) were febrile neutropenia (20%), anemia (19%), thrombocytopenia (16%), and neutropenia (13%).

Updated data from the registrational study will be presented at an upcoming medical congress.

“The data from the Phase 2 registrational trial of olutasidenib demonstrated encouraging results, particularly on durability and survival, with median duration of response that appears to be longer than currently available treatment options and an 18-month survival rate among those with CR+CRh of 87%,” said Jorge E. Cortes, M.D., Director, Georgia Cancer Center, Cecil F. Whitaker Jr., GRA Eminent Scholar Chair in Cancer, and Phase 2 trial investigator. “Given the trial’s compelling efficacy data in duration of response, the favorable tolerability profile, and the still limited treatment options of patients with mIDH1+ R/R AML, olutasidenib has the potential to be an important new treatment option for patients.”

Under the terms of the agreement, Forma will receive an upfront payment of $2.0 million, and is eligible to receive an additional $17.5 million upon the achievement of certain near-term regulatory, approval, and first commercial sale milestones. In addition, Forma is eligible to receive a total of up to an additional $215.5 million in connection with the achievement of certain development and commercial milestones. Forma is also eligible to receive tiered royalties in the low-teens to mid-thirties. Moving forward, Rigel will be responsible for the potential launch and commercialization of olutasidenib in the U.S., and intends to work with potential partners to further develop and commercialize olutasidenib outside the U.S.

Conference Call and Webcast Today at 4:30 p.m. Eastern Time, with KOL and Phase 2 trial investigator, Jorge E. Cortes, M.D.

Rigel will host a live conference call and webcast today at 4:30 p.m. Eastern Time (1:30 p.m. Pacific Time) to discuss financial results, provide an update on the business, including the licensing agreement for olutasidenib. The conference call will also feature a presentation of the Phase 2 interim results by Jorge E. Cortes, M.D., Director, Georgia Cancer Center, Cecil F. Whitaker Jr., GRA Eminent Scholar Chair in Cancer, and Phase 2 trial investigator.

Participants can access the live conference call by dialing (877) 407-3088 (domestic) or (201) 389-0927 (international). The conference call will also be webcast live and can be accessed from the Investor Relations section of the company's website at www.rigel.com. The webcast will be archived and available for replay after the call via the Rigel website.

About Olutasidenib and AML

Olutasidenib is an oral, small molecule investigational agent designed to selectively bind to and inhibit mutated IDH1 enzymes. This targeted treatment has the potential to provide therapeutic benefit by reducing 2-HG levels and restoring normal cellular differentiation. IDH1 is a natural enzyme that is part of the normal metabolism of all cells. When mutated, IDH1 activity can promote blood malignancies and solid tumors. IDH1 mutations are present in 6 to 9 percent of patients with AML[2]. AML is a rapidly progressing cancer of the bone marrow and blood[3]. AML occurs primarily in adults and accounts for about 1 percent of all adult cancers. The American Cancer Society estimates that about 20,940 new cases, most in adults, arose in 2021 in the United States alone.[4] Quality of life declines for patients with each successive line of treatment for AML, and well-tolerated treatments in relapsed or refractory disease remain an unmet need.

About Rigel

Rigel Pharmaceuticals, Inc., is a biotechnology company dedicated to discovering, developing, and providing novel small molecule drugs that significantly improve the lives of patients with hematologic disorders, cancer, and rare immune diseases. Rigel’s pioneering research focuses on signaling pathways that are critical to disease mechanisms. The company’s first FDA-approved product is TAVALISSE® (fostamatinib disodium hexahydrate) tablets, the only oral spleen tyrosine kinase (SYK) inhibitor for the treatment of adult patients with chronic immune thrombocytopenia who have had an insufficient response to a previous treatment. The product is also commercially available in Europe

(TAVLESSE), the United Kingdom (TAVLESSE) and Canada (TAVALISSE) for the treatment of chronic immune thrombocytopenia in adult patients.

Fostamatinib is currently being studied in a Phase 3 clinical trial (NCT03764618) for the treatment of warm autoimmune hemolytic anemia (wAIHA)[5]; a Phase 3 clinical trial (NCT04629703) for the treatment of hospitalized high-risk patients with COVID-19[5] and an NIH/NHLBI-sponsored Phase 3 clinical trial (ACTIV-4 Host Tissue Trial, NCT04924660) for the treatment of COVID-19 in hospitalized patients.

Rigel's other clinical programs include its interleukin receptor-associated kinase (IRAK) inhibitor program, and a receptor-interacting serine/threonine-protein kinase (RIPK) inhibitor program in clinical development with partner Eli Lilly and Company. In addition, Rigel has product candidates in development with partners BerGenBio ASA and Daiichi Sankyo.

For further information, visit www.rigel.com or follow us on Twitter or LinkedIn.

Please see www.TAVALISSE.com for full Prescribing Information.

About Forma Therapeutics

Forma Therapeutics is a clinical-stage biopharmaceutical company focused on the research, development, and commercialization of novel therapeutics to transform the lives of patients with rare hematologic diseases and cancers. Our pipeline is led by etavopivat, an investigational, once-daily, selective pyruvate kinase-R (PKR) activator designed to be a disease-modifying therapy with the potential to improve red blood cell (RBC) health and transform the lives of people living with sickle cell disease, thalassemia, and lower risk MDS. Our R&D engine combines deep biology insight, chemistry expertise and clinical development capabilities to create drug candidates with differentiated mechanisms of action focused on indications with high unmet need. Our work has generated a broad proprietary portfolio of programs with the potential to provide profound patient benefit.

For more information, please visit www.FormaTherapeutics.com or follow us on Twitter @FORMAInc and LinkedIn.

1. De Botton, S., et al. *Journal of Clinical Oncology* 39, no. 15_suppl (May 20, 2021) 7006-7006.
2. NCCN Clinical Practice Guidelines in Oncology, Acute Myeloid Leukemia. Version 2.2022 – June 14, 2022.
3. Leukemia & Lymphoma Society. Accessed July 25, 2022. https://www.lls.org/leukemia/acute-myeloid-leukemia
4. The American Cancer Society. Key statistics for acute myeloid leukemia (AML). Revised January 12, 2021. Accessed Dec. 2, 2021 at https://www.cancer.org/cancer/acute-myeloid-leukemia/about/key-statistics.html.
5. The product for this use or indication is investigational and has not been proven safe or effective by any regulatory authority.

Rigel Forward Looking Statements

This press release contains forward-looking statements relating to, among other things, that olutasidenib may provide a meaningful benefit to people with relapsed or/ refractory acute myeloid leukemia, our ability to commercialize olutasidenib in the U.S. and identify potential partners outside of the U.S., and our expectations related to the potential and market opportunity of olutasidenib as therapeutics for R/R AML, glioma and other conditions. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements can be identified by words such as "plan", "potential", "may", "expects", "will" and similar expressions in reference to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on Rigel's current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions, and hence they inherently involve significant risks, uncertainties and changes in circumstances that are difficult to predict and many of which are outside of our control. Therefore, you should not rely on any of these forward-looking statements. Actual results and the timing of events could differ materially from those anticipated in such forward looking statements as a result of these risks and uncertainties, which include, without limitation, risks that the FDA, EMA or other regulatory authorities may make adverse decisions regarding olutasidenib; risks that clinical trials may not be predictive of real-world results or of results in subsequent clinical trials; risks that olutasidenib may have unintended side effects, adverse reactions or incidents of misuses; the availability of resources to develop Rigel's product candidates; market competition; as well as other risks detailed from time to time in Rigel's reports filed with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for the quarter ended [June 30, 2022][March 31, 2022] and subsequent filings. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. Rigel does not undertake any obligation to update forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, and expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein, except as required by law.

Forma Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including, without limitation, express or implied statements regarding the company's beliefs and expectations regarding: therapeutic potential, clinical benefits, mechanisms of action, efficacy, and safety of olutasidenib; the potential commercial and collaboration opportunities, including potential future collaborators, as well as the potential value and market for olutasidenib; potential milestone payments; and presentation of additional data at upcoming scientific conferences. The words "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "project," "potential," "continue," "target" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Any forward-looking statements in this press release are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this press release, including, without limitation, those risks and uncertainties associated with the following: positive results from a clinical study may not necessarily be predictive of the results of future or ongoing clinical studies; adverse regulatory decisions relating to olutasidenib; Rigel's ability to successfully develop and commercialize olutasidenib and achieve milestones, including identifying successful collaboration opportunities as well as those risks and uncertainties set forth more fully under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended May 6, 2022, filed with the United States Securities and Exchange Commission (SEC) and subsequent filings with the SEC. Forma disclaims any obligation to publicly update or revise any such statements to reflect any change in expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. Any forward-looking statements contained in this press release represent Forma's views only as of the date hereof and should not be relied upon as representing its views as of any subsequent date. Forma explicitly disclaims any obligation to update any forward-looking statements.

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Schedule 11.2
Disclosure Schedule

[***]

Schedule 11.2.2
Forma Patent Rights

[***]

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Schedule [***]

[***]

Exhibit 10.2

AMENDMENT NO. 3 TO CREDIT AND SECURITY AGREEMENT

This AMENDMENT NO. 3 TO CREDIT AND SECURITY AGREEMENT (this "**Agreement**") is made as of this 27th day of July, 2022, by and among **RIGEL PHARMACEUTICALS, INC.**, a Delaware corporation ("**Rigel**"), as a Borrower, **MIDCAP FINANCIAL TRUST**, as Agent (in such capacity, together with its successors and assigns, "**Agent**") and the financial institutions or other entities from time to time parties to the Credit Agreement referenced below, each as a Lender.

RECITALS

A. Agent, Lenders and Borrower have entered into that certain Credit and Security Agreement, dated as of September 27, 2019 (as amended by that certain Amendment No. 1 to Credit and Security Agreement, dated as of April 2, 2021, as amended by that certain Amendment No. 2 to Credit and Security Agreement, dated as of February 11, 2022, and as further amended, supplemented or otherwise modified from time to time prior to the date hereof, the "**Existing Credit Agreement**" and, as the same is amended hereby and as it may be further amended, modified, supplemented and restated from time to time, the "**Credit Agreement**"), pursuant to which the Lenders have agreed to make certain advances of money and to extend certain financial accommodations to Borrower in the amounts and manner set forth in the Credit Agreement.

B. Borrower has requested, and Agent and Lenders have agreed, on and subject to the terms and conditions set forth in this Agreement and the other Financing Documents, to among other things (a) revise certain terms related to the financial covenants, (b) amend certain terms related to the Collateral and (c) amend certain other provisions of the Existing Credit Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent, Lenders and Borrower hereby agree as follows:

1. **Recitals.** This Agreement shall constitute a Financing Document and the Recitals and each reference to the Credit Agreement, unless otherwise expressly noted, will be deemed to reference the Credit Agreement as amended hereby. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (including those capitalized terms used in the Recitals hereto).

2. **Amendments to Existing Credit Agreement.** Subject to the terms and conditions of this Agreement, including, without limitation, the conditions to effectiveness set forth in Section 4 below, the Existing Credit Agreement is hereby amended as set forth on Exhibit A attached hereto such that all of the newly inserted and underscored provisions and any formatting changes reflected therein shall be deemed inserted or made, as applicable, and all of the ~~stricken~~ provisions shall be deemed to be deleted therefrom, which Credit Agreement shall immediately and automatically become effective upon the effectiveness of this Agreement in accordance with Section 4 below. Schedules, Exhibits and Annexes to the Existing Credit Agreement shall remain as in effect under the Existing Credit Agreement, except with respect to the Schedules, Exhibits and Annexes set forth on Exhibit B attached hereto, which shall replace the corresponding Schedules, Exhibits and Annexes to the Existing Credit Agreement in their entirety.

3. **Representations and Warranties; Reaffirmation of Security Interest**. Borrower hereby (a) confirms that all of the representations and warranties set forth in the Credit Agreement are true and correct in all material respects (without duplication of any materiality qualifier in the text of such representation or warranty) with respect to Borrower as of the date hereof except to the extent that any such representation or warranty relates to a specific date in which case such representation or warranty shall be true and correct as of such earlier date, and (b) covenants to perform its respective obligations under the Credit Agreement. Each Borrower

confirms and agrees that all security interests and Liens granted to Agent continue in full force and effect, and all Collateral remains free and clear of any Liens, other than Permitted Liens. Nothing herein is intended to impair or limit the validity, priority or extent of Agent's security interests in and Liens on the Collateral. Borrower acknowledges and agrees that the Credit Agreement, the other Financing Documents and this Agreement constitute the legal, valid and binding obligation of Borrower, and are enforceable against Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles.

4. **Conditions to Effectiveness**. This Agreement shall become effective as of the date on which each of the following conditions has been satisfied, as determined by Agent in its sole discretion:

(a) Agent shall have received (including by way of facsimile or other electronic transmission) a duly authorized, executed and delivered counterpart of the signature page to this Agreement from Borrower, Agent and the Lenders;

(b) Agent shall have received (including by way of facsimile or other electronic transmission) a duly authorized, executed and delivered counterpart of the signature page to the IP Security Agreement from Borrower and Agent;

(c) Agent shall have received a duly authorized, executed and delivered secretary's certificate from Borrower certifying as to (i) the names and signatures of each officer of Borrower authorized to execute and deliver this Agreement and all documents executed in connection therewith, (ii) the organizational documents of Borrower attached to such certificate are complete and correct copies of such organizational documents as in effect on the date of such certification, (iii) the resolutions of Borrower's board of directors or other appropriate governing body approving and authorizing the execution, delivery and performance of this Agreement and the other documents executed in connection therewith, and (iv) certificates attesting to the good standing of Borrower in each applicable jurisdiction;

(d) Agent shall have received, with respect to Borrower, (i) current UCC searches from the Secretary of State of its jurisdiction of organization; and (ii) judgment, pending litigation, federal tax lien, personal property tax lien, and corporate and partnership tax lien searches, in each applicable jurisdiction, in each case, with results reasonably acceptable to the Agent;

(e) Agent shall have received payment of the Amendment Fee;

(f) all representations and warranties of Borrower contained herein shall be true and correct in all material respects (without duplication of any materiality qualifier in the text of such representation or warranty) as of the date hereof except to the extent that any such representation or warranty relates to a specific date in which case such representation or warranty shall be true and correct as of such earlier date (and such parties' delivery of their respective signatures hereto shall be deemed to be its certification thereof);

(g) prior to and after giving effect to the agreements set forth herein, no Default or Event of Default shall exist under any of the Financing Documents; and

(h) evidence that all UCC-1 financing statements or equivalents in the appropriate jurisdiction or jurisdictions for each Credit Party that the Agent may deem reasonably necessary to perfect the agent's security interest under Financing Documents, as amended by this Agreement, shall have been provided for, and arrangements for the filing thereof in a manner reasonably satisfactory to Agent shall have been made; and

(i) Agent shall have received such other documents, certificates, and information as Agent may reasonably request in connection with this Agreement.

5. **Amendment Fee**. In consideration of Agent and Lenders' agreement to enter into this Agreement, Borrowers shall pay, or cause to be paid, to Agent, for the benefit of all Lenders in accordance with their Pro Rata

Shares, an amendment fee (the "Amendment Fee") in immediately available funds in an amount equal to $325,000 on the date hereof. Such Amendment Fee (a) shall be fully earned, due and payable on the date hereof and, once paid, is non-refundable, and (b) is in addition to all other Fees paid or payable pursuant to the Financing Documents, including the Fee Letter.

6. **Post-Closing Obligations**. Borrowers shall by the date that is sixty (60) days after the date hereof (or such later date as Agent may agreement, in its sole discretion), (i) deliver to Agent a duly executed perfection certificate in form and substance reasonably satisfactory to Agent and (ii) take all such other actions or execute and/or acknowledge such further documents as agent or Required Lenders may reasonable request in order to reasonably establish, create, preserve, protect and perfect a first priority Lien (subject only to Permitted Liens) in favor of Agent for itself and for the benefit Lenders on the Collateral. Borrower agrees that failure to comply with the requirements of this Section 6 shall constitute an immediate and automatic Event of Default.

7. **Reserved**.

8. **Release**. In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower, voluntarily, knowingly, unconditionally and irrevocably, with specific and express intent, for and on behalf of itself and all of its respective parents, subsidiaries, affiliates, members, managers, predecessors, successors, and assigns, and each of its respective current and former directors, officers, shareholders, agents, and employees, and each of its respective predecessors, successors, heirs, and assigns (individually and collectively, the "Releasing Parties") does hereby fully and completely release, acquit and forever discharge each of Agent, Lenders, and each their respective parents, subsidiaries, affiliates, members, managers, shareholders, directors, officers and employees, and each of their respective predecessors, successors, heirs, and assigns (individually and collectively, the "Released Parties"), of and from any and all actions, causes of action, suits, debts, disputes, damages, claims, obligations, liabilities, costs, expenses and demands of any kind whatsoever, at law or in equity, whether matured or unmatured, liquidated or unliquidated, vested or contingent, choate or inchoate, known or unknown that the Releasing Parties (or any of them) has against the Released Parties or any of them (whether directly or indirectly), based in whole or in part on facts, whether or not now known, existing on or before the date hereof, that relate to, arise out of or otherwise are in connection with: (i) any or all of the Financing Documents or transactions contemplated thereby or any actions or omissions in connection therewith or (ii) any aspect of the dealings or relationships between or among any Borrower, on the one hand, and any or all of the Released Parties, on the other hand, relating to any or all of the documents, transactions, actions or omissions referenced in clause (i) hereof, in each case, based in whole or in part on facts, whether or not now known, existing before the date hereof. Borrower acknowledges that the foregoing release is a material inducement to Agent's and each Lender's decision to enter into this Agreement and agree to the modifications contemplated hereunder, and has been relied upon by Agent and Lenders in connection therewith.

9. **No Waiver or Novation**. The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided in this Agreement, operate as a waiver of any right, power or remedy of Agent, nor constitute a waiver of any provision of the Credit Agreement, the Financing Documents or any other documents, instruments and agreements executed or delivered in connection with any of the foregoing. Nothing herein is intended or shall be construed as a waiver of any existing Defaults or Events of Default under the Credit Agreement or the other Financing Documents or any of Agent's rights and remedies in respect of such Defaults or Events of Default. This Agreement (together with any other document executed in connection herewith) is not intended to be, nor shall it be construed as, a novation of the Credit Agreement.

10. **Affirmation**. Except as specifically amended pursuant to the terms hereof, Borrower hereby acknowledges and agrees that the Credit Agreement and all other Financing Documents (and all covenants, terms, conditions and agreements therein) shall remain in full force and effect, and are hereby ratified and confirmed in all respects by Borrower, including without limitation the granting of Liens in the Collateral to secure the Obligations pursuant to the Security Documents and other Financing Documents. Borrower covenants and agrees to comply with all of the terms, covenants and conditions of the Credit Agreement and the Financing

Documents, notwithstanding any prior course of conduct, waivers, releases or other actions or inactions on Agent's or any Lender's part which might otherwise constitute or be construed as a waiver of or amendment to such terms, covenants and conditions. Borrower confirms and agrees that all security interests and Liens granted to Agent continue in full force and effect, and all Collateral remains free and clear of any Liens, other than those granted to Agent and Permitted Liens.

11. **Miscellaneous**.

(a) Reference to the Effect on the Credit Agreement. Upon the effectiveness of this Agreement, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of similar import shall mean and be a reference to the Credit Agreement, as amended by this Agreement. Except as specifically amended above, the Credit Agreement, and all other Financing Documents (and all covenants, terms, conditions and agreements therein), shall remain in full force and effect, and are hereby ratified and confirmed in all respects by Borrower.

(b) GOVERNING LAW. THIS AGREEMENT AND ALL DISPUTES AND OTHER MATTERS RELATING HERETO OR THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).

(c) WAIVER OF JURY TRIAL. BORROWER, AGENT AND THE LENDERS PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER, AGENT AND EACH LENDER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. BORROWER, AGENT AND EACH LENDER WARRANTS AND REPRESENTS THAT IT HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

(d) Incorporation of Credit Agreement Provisions. The provisions contained in Article 12 (Choice of law; venue and jury trial waiver; California waivers) and Section 13.2 (Indemnification) of the Credit Agreement are incorporated herein by reference to the same extent as if reproduced herein in their entirety.

(e) Headings. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

(f) Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or electronic records, 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. Delivery of an executed counterpart of this Agreement by facsimile or by

electronic mail delivery of an electronic version (e.g., .pdf or .tif file) of an executed signature page shall be effective as delivery of an original executed counterpart hereof and shall bind the parties hereto.

(g) Entire Agreement. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

(h) Severability. In case any provision of or obligation under this Agreement shall be invalid, illegal or unenforceable in any applicable jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(i) Successors/Assigns. This Agreement shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the parties hereto, subject to the provisions of the Credit Agreement and the other Financing Documents.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, intending to be legally bound, the undersigned have executed this Agreement as of the day and year first hereinabove set forth.

AGENT:

MIDCAP FINANCIAL TRUST,

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By:_____
Name: Maurice Amsellem
Title: Authorized Signatory

LENDERS:

MIDCAP FINANCIAL TRUST,

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By:_____
Name: Maurice Amsellem
Title: Authorized Signatory

LENDERS:

ELM 2020-3 TRUST

By: MidCap Financial Services Capital Management, LLC, as Servicer

By:_____
Name: John O'Dea
Title: Authorized Signatory

ELM 2020-4 TRUST

By: MidCap Financial Services Capital Management, LLC, as Servicer

By:_____
Name: John O'Dea
Title: Authorized Signatory

LENDERS:

APOLLO INVESTMENT CORPORATION

By: Apollo Investment Management, L.P., as Advisor

By: ACC Management, LLC, as its General Partner

By:_____
Name:
Title:

BORROWER: **RIGEL PHARMACEUTICALS, INC.**

By:_____
Name:
Title:

EXHIBIT A

AMENDED CREDIT AGREEMENT

See attached.

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

EXHIBIT B

AMENDED ANNEXES, SCHEDULES AND EXHIBITS TO CREDIT AGREEMENT

See attached.

Exhibit A to Amendment No. 3 to Credit and Security Agreement

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CREDIT AND SECURITY AGREEMENT

dated as of September 27, 2019

by and among

RIGEL PHARMACEUTICALS, INC., as a Borrower
and any additional borrower that hereafter becomes party hereto,

and

MIDCAP FINANCIAL TRUST,

as Agent and as a Lender,

and

THE ADDITIONAL LENDERS

FROM TIME TO TIME PARTY HERETO

CREDIT AND SECURITY AGREEMENT

THIS CREDIT AND SECURITY AGREEMENT (this "**Agreement**"), dated as of September 27, 2019 (the "**Closing Date**") by and among **MIDCAP FINANCIAL TRUST,** a Delaware statutory trust ("**MidCap**"), as administrative agent, the Lenders listed on the Credit Facility Schedule attached hereto and otherwise party hereto from time to time (each a "**Lender**", and collectively the "**Lenders**"), **RIGEL PHARMACEUTICALS, INC.**, a Delaware corporation ("**Rigel**"), and the other entities from time to time party to this Agreement as borrowers (collectively in the singular, "**Borrower**"), provides the terms on which Lenders agree to lend to Borrower and Borrower shall repay the Lenders. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed in accordance with GAAP. Calculations and determinations must be made in accordance with GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Article 15. All other capitalized terms contained in Article 4 and Exhibit A, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. All headings numbered without a decimal point are herein referred to as "Articles," and all paragraphs numbered with a decimal point (and all subparagraphs or subsections thereof) are herein referred to as "Sections." All references herein to a merger, transfer, consolidation, amalgamation, assignment, sale or transfer, or analogous term, will be construed to mean also a division of or by a limited liability company, as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer, or similar term, as applicable. Any series of limited liability company shall be considered a separate Person.

2. CREDIT FACILITIES AND TERMS

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay to each Lender in accordance with each Lender's respective Pro Rata Share of each Credit Facility, the outstanding principal amount of all Credit Extensions made by the Lenders under such Credit Facility and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2.2 Credit Facilities. Subject to the terms and conditions hereof, each Lender, severally, but not jointly, agrees to make available to Borrower Credit Extensions in respect of each Credit Facility set forth opposite such Lender's name on the Credit Facility Schedule, in each case not to exceed such Lender's commitment as identified on the Credit Facility Schedule (such commitment of each Lender, as it may be amended to reflect assignments made in accordance with this Agreement or terminated or reduced in accordance with this Agreement, its "**Applicable Commitment**", and the aggregate of all such commitments of all Lenders, the "**Applicable Commitments**").

2.3 Credit Facilities.

(a) Nature of Credit Facility; Credit Extension Requests. Credit Extensions in respect of a Credit Facility may be requested by Borrower to be made by the applicable Lenders on any Business Day during the Draw Period for such Credit Facility, but no Credit Extensions in respect of a Credit Facility shall be made before the applicable Commitment Commencement Date or after the applicable Commitment Termination Date. For any Credit Extension requested under a Credit Facility (other than a Credit Extension on the Closing Date and the Credit Extensions on the Second Amendment Effective Date), Agent must receive the completed Credit Extension Form by 12:00 noon (New York time) ten (10) Business Days prior to the date the Credit Extension is to be funded (other than the Credit Extension made on the Closing Date). To the extent any Credit Facility proceeds are repaid for any reason, whether voluntarily or involuntarily (including repayments from insurance or condemnation proceeds), Agent and the Lenders shall have no obligation to re-advance such sums to Borrower.

(b) Principal Payments. Principal payable on account of a Credit Facility shall be payable by Borrower to Agent, for the account of the applicable Lenders in accordance with their respective Pro Rata Shares, immediately upon the earliest of (i) the date(s) set forth in the Amortization **Schedule for such Credit** Facility, or (ii) the Maturity Date. Except as this Agreement may specifically provide otherwise, all prepayments of

Credit Extensions under the Credit Facilities shall be applied by Agent to the applicable Credit Facility in inverse order of maturity. The monthly payments required under the Amortization Schedule shall continue in the same amount (for so long as the applicable Credit Facility shall remain outstanding) notwithstanding any partial prepayment, whether mandatory or optional, of the applicable Credit Facility.

(c) Mandatory Prepayment. If a Credit Facility is accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Agent, for payment to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Credit Facility and all other Obligations, plus accrued and unpaid interest thereon, (ii) any fees payable under the Fee Letters by reason of such prepayment, (iii) the Applicable Prepayment Fee as specified in the Credit Facility Schedule for the Credit Facility being prepaid, and (iv) all other sums that shall have become due and payable, including Protective Advances. Additionally, at the election of Agent, Borrower shall prepay the Credit Facilities (to be allocated pro rata among the outstanding Credit Extensions under all Credit Facilities) in the following amounts: (A) within five (5) Business Days after the date on which any Credit Party (or Agent as loss payee or assignee) receives any casualty proceeds in excess of [***] ($[***]) for property, in respect of assets upon which Agent has been granted a Lien, an amount equal to [***] ([***]%) of such proceeds (net of out-of-pocket expenses and, in the case of personal property, repayment of any permitted purchase money debt encumbering the personal property that suffered such casualty), or such lesser portion of such proceeds as Agent shall elect to apply to the Obligations; and (B) within five (5) Business Days after receipt by any Credit Party of the proceeds of any asset disposition of personal property not made in the Ordinary Course of Business (other than transfers permitted by Section 7.1) an amount equal to [***] ([***]%) of the net cash proceeds of such asset disposition (net of out-of-pocket expenses and repayment of any permitted purchase money debt encumbering such asset), or such lesser portion as Agent shall elect to apply to the Obligations. Notwithstanding the foregoing, (a) so long as no Default or Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to [***] ($[***]) in the aggregate with respect to any property loss in any one (1) year, toward the replacement or repair of destroyed or damaged property; *provided* that any such replaced or repaired property (x) shall be of greater, equal, or like value as the replaced or repaired Collateral and (y) shall be deemed Collateral in which Agent and the Lenders have been granted a first priority security interest, and (b) after the occurrence and during the continuance of a Default or Event of Default, all proceeds payable under such casualty policy shall, at the option of Agent, be payable to Agent, for the ratable benefit of the Lenders, on account of the Obligations.

(d) Permitted Prepayment. Except as provided below, Borrower shall have no right to prepay the Credit Extensions made in respect of a Credit Facility. For the applicable Credit Facility as specified in the Credit Facility Schedule therefor, Borrower shall have the option to prepay the Prepayable Amount (as defined below) of such Credit Facility advanced by the Lenders under this Agreement, *provided* Borrower (i) provides irrevocable written notice to Agent and each Lender of its election to prepay the Prepayable Amount at least five (5) Business Days prior to such prepayment, and (ii) pays to Agent, for payment to each applicable Lender in accordance with its respective Pro Rata Share, on the date of such prepayment, an amount equal to the sum of (A) the Prepayable Amount, plus accrued interest thereon, (B) any fees payable under the Fee Letters by reason of such prepayment, (C) the Applicable Prepayment Fee as specified in the Credit Facility Schedule for the Credit Facility being prepaid, and (D) all Protective Advances. The term "Prepayable Amount" means the lesser of (x) all of the Credit Extensions and all other Obligations under all Credit Facilities and (y) a portion of the Credit Extensions and related Obligations in amounts of no less than $[***] of principal being prepaid.

2.4 Reserved.

2.5 Reserved.

2.6 Interest and Payments; Administration.

(a) Interest; Computation of Interest.

(i) Each Credit Extension shall bear interest on the outstanding principal amount thereof from the date when made until paid in full at a rate per annum equal to the Applicable Interest Rate. Each Lender may, upon the failure of Borrower to pay any fees or interest as required herein, capitalize such interest

and fees and begin to accrue interest thereon until paid in full, which such interest shall be at a rate per annum equal to the Applicable Interest Rate unless and until the Default Rate shall otherwise apply. All other Obligations shall bear interest on the outstanding amount thereof from the date they first become payable by Borrower under the Financing Documents until paid in full at a rate per annum equal to the Applicable Interest Rate unless and until the Default Rate shall otherwise apply. Interest on the Credit Extensions and all fees payable under the Financing Documents shall be computed on the basis of a three hundred sixty (360) day year and the actual number of days elapsed in the period during which such interest accrues. In computing interest on any Credit Extension or other advance, the date of the making of such Credit Extension or advance shall be included and the date of payment shall be excluded; *provided*, *however*, that if any Credit Extension or advance is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension or advance. As of each Applicable Interest Rate Determination Date, Agent shall determine (which determination shall, absent manifest error in calculation, be final, conclusive and binding upon all parties) the interest rate that shall apply to the Credit Extensions.

(ii) In the event one or more of the following events occurs with respect to Term SOFR: (a) a public statement or publication of information by or on behalf of the SOFR Administrator announcing that the SOFR Administrator has ceased or will cease to provide Term SOFR for a 1-month period, permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide Term SOFR for a 1-month period; (b) a public statement or publication of information by the regulatory supervisor for the SOFR Administrator, the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official or resolution authority with jurisdiction over the SOFR Administrator, or a court or an entity with similar insolvency or resolution authority, which states that the SOFR Administrator has ceased or will cease to provide Term SOFR for a 1-month period permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide Term SOFR for a 1-month period; or (c) a public statement or publication of information by the regulatory supervisor for the SOFR Administrator announcing that Term SOFR for a 1-month period is no longer, or as of a specified future date will no longer be, representative and Agent has provided Borrower with notice of the same, any outstanding affected SOFR Loans will be deemed to have been converted to Credit Extensions that bear interest at a rate based on the Applicable Prime Rate at the end of the Applicable Interest Period.

(iii) In connection with Term SOFR, Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Financing Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Financing Document. Agent will promptly notify Borrower and the Lenders of the effectiveness of any Conforming Changes.

(b) Default Rate. Upon the election of Agent following the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is [***] ([***]%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Payment or acceptance of the increased interest rate provided in this subsection is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Agent or the Lenders.

(c) Payments Generally. Except as otherwise provided in this Agreement, including pursuant to Section 2.6(c), or as otherwise directed by Agent, all payments in respect of the Obligations shall be made to Agent for the account of the applicable Lenders in accordance with their Pro Rata Share. Payments of principal and interest in respect of each Credit Facility shall be made to each applicable Lender identified on the applicable Credit Facility Schedule. All Obligations are payable upon demand of Agent in the absence of any other due date specified herein. All fees payable under the Financing Documents shall be deemed non-refundable as of the date paid. Any payment required to be made to Agent or a Lender (and any servicer or trustee on behalf of a securitization vehicle designated by either) under this Agreement may be made by debit or automated clearing house payment initiated by Agent or such Lender (or any servicer designated or trustee on behalf of a securitization vehicle on behalf of either) from any of Borrower's deposit accounts, including the Designated Funding Account, and Borrower hereby authorizes Agent and each Lender (or any servicer or trustee on behalf of a securitization vehicle designated on behalf of either) to debit any such accounts for any amounts Borrower owes hereunder when due; *provided* that Agent shall endeavor in good faith to give five (5) days prior written notice to Borrower that such

debit shall be made. Without limiting the foregoing, Borrower shall tender to Agent and the Lenders any authorization forms as Agent or any Lender may require to implement such debit or automated clearing house payment. These debits or automated clearing house payments shall not constitute a set-off. Payments of principal and/or interest received after 12:00 noon New York time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next Business Day and additional fees or interest, as applicable, shall continue to accrue until paid. All payments to be made by Borrower under any Financing Document shall be made without set-off, recoupment or counterclaim, in lawful money of the United States and in immediately available funds. The balance of the Obligations, as recorded in Agent's books and records at any time, shall be conclusive and binding evidence of the amounts due and owing to Agent and the Lenders by each Borrower absent manifest error; *provided*, *however*, that any failure to so record or any error in so recording shall not limit or otherwise affect any Borrower's duty to pay all amounts owing hereunder or under any Financing Document. Agent shall endeavor to provide Borrower with a monthly statement regarding the Credit Extensions (but neither Agent nor any Lender shall have any liability if Agent shall fail to provide any such statement). Unless Borrower notifies Agent of any objection to any such statement (specifically describing the basis for such objection) within ninety (90) days after the date of receipt thereof, it shall be deemed final, binding and conclusive upon Borrower in all respects as to all matters reflected therein.

(d) Interest Payments; Maturity Date. Commencing on the first (1st) Payment Date following the funding of a Credit Extension, and continuing on the Payment Date of each successive month thereafter through and including the Maturity Date, Borrower shall make monthly payments of interest, in arrears, calculated as set forth in this Section 2.6. All unpaid principal and accrued interest is due and payable in full on the Maturity Date or any earlier date specified herein. If the Obligations are not paid in full on or before the Maturity Date, all interest thereafter accruing shall be payable immediately upon accrual.

(e) Fees. Borrower shall pay, as and when due and payable under the terms of the Fee Letters, to Agent and each Lender, as applicable, for their own accounts and not for the benefit of any other Lenders, the fees set forth in the Fee Letters.

(f) Protective Advances. Borrower shall pay to Agent for the account of the Lenders all Protective Advances (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement and the other Financing Documents) when due under any Financing Document (and in the absence of any other due date specified herein, such Protective Advances shall be due upon demand).

(g) Maximum Lawful Rate. In no event shall the interest charged hereunder with respect to the Obligations exceed the maximum amount permitted under the Laws of the State of New York. Notwithstanding anything to the contrary in any Financing Document, if at any time the rate of interest payable hereunder (the "**Stated Rate**") would exceed the highest rate of interest permitted under any applicable Law to be charged (the "**Maximum Lawful Rate**"), then for so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable shall be equal to the Maximum Lawful Rate; *provided, however*, that if at any time thereafter the Stated Rate is less than the Maximum Lawful Rate, Borrower shall, to the extent permitted by Law, continue to pay interest at the Maximum Lawful Rate until such time as the total interest received is equal to the total interest which would have been received had the Stated Rate been (but for the operation of this provision) the interest rate payable. Thereafter, the interest rate payable shall be the Stated Rate unless and until the Stated Rate again would exceed the Maximum Lawful Rate, in which event this provision shall again apply. In no event shall the total interest received by any Lender exceed the amount which it could lawfully have received, had the interest been calculated for the full term hereof at the Maximum Lawful Rate. If, notwithstanding the prior sentence, any Lender has received interest hereunder in excess of the Maximum Lawful Rate, such excess amount shall be applied to the reduction of the principal balance of such Lender's Credit Extensions or to other amounts (other than interest) payable hereunder, and if no such Credit Extensions or other amounts are then outstanding, such excess or part thereof remaining shall be paid to Borrower. In computing interest payable with reference to the Maximum Lawful

Rate applicable to any Lender, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate *divided by* the number of days in the year in which such calculation is made.

(h) Taxes; Additional Costs; Increased Costs; Inability to Determine Rates; Illegality.

(i) Any and all payments by or on account of any obligation of Borrower hereunder shall be made without deduction or withholding for any Taxes, except as required by applicable law. For purposes of this Section 2.6(h), the term "applicable law" shall include FATCA. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall make such deduction or withholding and shall timely 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 Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.6(h)) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(ii) Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of Agent timely reimburse it for the payment of, any Other Taxes.

(iii) Borrower shall indemnify each Recipient, within ten (10) Business 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 2.6(h)) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable and documented out-of-pocket 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 Borrower by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(iv) Each Lender shall severally indemnify Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that Borrower has not already indemnified Agent for such Indemnified Taxes and without limiting the obligation of Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.1(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Agent in connection with this Agreement or any Obligation, and any reasonable expenses arising therefrom or with respect thereto, whether or not such 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 any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender pursuant to this Agreement or otherwise payable by Agent to the Lender from any other source against any amount due to Agent under this paragraph (iv).

(v) As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority pursuant to this Section 2.6(h), upon Agent's reasonable request, Borrower shall deliver to Agent the original or a certified copy of a receipt 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 Agent.

(vi) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made in connection with this Agreement or any Obligation shall deliver to Borrower and Agent, at the time or times prescribed by applicable Law or reasonably requested by Borrower or Agent, such properly completed and executed documentation reasonably requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower or Agent as will enable Borrower or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the

contrary in the preceding two (2) sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.6(h)(vii)(A), (vii)(B) and (vii)(D) below) 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.

(vii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to Borrower and Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement or any Financing Document, executed copies of IRS Form W-8BEN-E or W-8BEN, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Financing Document, IRS Form W-8BEN-E or W-8BEN, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the IRC, (x) executed copies of IRS Form W-8BEN-E or W-8BEN, as applicable and (y) a certification reasonably satisfactory to Borrower and Agent to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the IRC, a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the IRC, or a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the IRC, together with such Other Tax Certification as Borrower or Agent may reasonably request from time to time; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E or W-8BEN, as applicable, IRS Form W-9, and/or such Other Tax Certification from each beneficial owner as Borrower or Agent may reasonably request, as applicable; *provided* that if the Foreign Lender is a partnership and one (1) or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide such Other Tax Certification as may be reasonably required by Borrower or Agent on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such Other Tax Certification as may be prescribed by applicable law to permit Borrower or Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to Agent or a Lender under any this Agreement would be subject to U.S. federal withholding Tax imposed by FATCA if Agent or 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 IRC, as applicable), Agent or such Lender shall deliver to Borrower and Agent on or prior to the date on which Agent or such Lender becomes a Lender under this Agreement at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such Other Tax Certification reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine that Agent or such Lender has complied with Agent or such Lender's obligations under FATCA or to determine the amount to deduct and withhold, if any, from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Agent and each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.6(h)(vi), (vii) or (viii) expires or becomes obsolete or inaccurate in any respect, it shall promptly update such form or certification or promptly notify Borrower and Agent, if applicable, in writing of its legal inability to do so.

(viii) On or prior to the date Agent becomes a party to this Agreement, Agent shall, in the event that Agent is a U.S. Person, deliver an IRS Form W-9 to Borrower, and in the event Agent is not a U.S. Person, deliver to Borrower the appropriate IRS Form W-8 certifying Agent's exemption, if any, from U.S. withholding Taxes with respect to amounts payable under this Agreement.

(ix) 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 2.6(h) (including by the payment of additional amounts pursuant to this Section 2.6(h)), 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 reasonable and documented 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 paragraph (h) (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 paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) 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 paragraph 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.

(x) If any Lender shall reasonably determine that the adoption or taking effect of, or any change in, any applicable Law shall (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender, (ii) subject any Lender to any tax of any kind whatsoever with respect to this Agreement, or any SOFR Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Taxes covered by Section 2.6); or (iii) impose on any Lender any other condition, cost or expense affecting this Agreement or SOFR Loans made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Credit Extension the interest on which is determined by reference to Term SOFR (or of maintaining its obligation to make any such Credit Extension), or to reduce the amount of any sum received or receivable by such Lender (whether of principal, interest or any other amount) then, upon request of such Lender, the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(xi) If any Lender shall determine in its commercially reasonable judgment that the adoption or taking effect of, or any change in, any applicable Law regarding capital adequacy, in each instance, after the Closing Date, or any change after the Closing Date in the interpretation, administration or application thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation, administration or application thereof, or the compliance by any Lender or any Person controlling such Lender with any request, guideline or directive regarding capital adequacy (whether or not having the force of law)

of any such Governmental Authority, central bank or comparable agency adopted or otherwise taking effect after the Closing Date, has or would have the effect of reducing the rate of return on such Lender's or such controlling Person's capital as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such controlling Person could have achieved but for such adoption, taking effect, change, interpretation, administration, application or compliance (taking into consideration such Lender's or such controlling Person's policies with respect to capital adequacy) then from time to time, upon written demand by such Lender (which demand shall be accompanied by a statement setting forth the basis for such demand and a calculation of the amount thereof in reasonable detail, a copy of which shall be furnished to Agent), Borrower shall promptly pay to such Lender such additional amount as will compensate such Lender or such controlling Person for such reduction; *provided*, *however*, that notwithstanding anything in this Agreement to the contrary, (A) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (B) all requests, rules, guidelines or directives 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 applicable Law", regardless of the date enacted, adopted or issued.

(xii) If any Lender requires compensation under this subsection (h), or requires any Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to this subsection (h), then, upon the written request of Borrower, such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Credit Extensions hereunder or to assign its rights and obligations hereunder (subject to the terms of this Agreement) to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (A) would eliminate or materially reduce amounts payable pursuant to any such subsection, as the case may be, in the future, and (B) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender (as determined in its sole discretion). Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(xiii) Each party's obligations under this Section 2.6(h) shall survive the resignation or replacement of Agent or any assignment of rights by, or the replacement of, a Lender, and the repayment, satisfaction or discharge of all Obligations hereunder.

(i) Administrative Fees and Charges.

(i) Borrower shall pay to Agent, for its own account and not for the benefit of any other Lenders, all reasonable and documented out-of-pocket fees and expenses in connection with audits and inspections of the books and records of the Credit Parties, audits, valuations or appraisals of the Collateral, audits of Borrower's compliance with applicable Laws and such other matters as Agent shall deem appropriate, which shall be due and payable on the first (1st) Business Day of the month following the date of issuance by Agent of a written request for payment thereof to any Borrower.

(ii) If payments of principal or interest due on the Obligations, or any other amounts due hereunder or under the other Financing Documents, are not timely made and remain overdue for a period of five (5) Business Days, Borrower, without notice or demand by Agent, promptly shall pay to Agent, for its own account and not for the benefit of any other Lenders, as additional compensation to Agent in administering the Obligations, an amount equal to [***] ([***]%) of each delinquent payment.

2.7 Benchmark Replacement Setting; Conforming Changes.

(a) Upon the occurrence of a Benchmark Transition Event, Agent and Borrowers may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after Agent has posted such proposed amendment to all Lenders and Borrower so long as Agent has not received, by such time, written notice of objection thereto from Lenders comprising the Required Lenders. No such replacement will occur prior to the applicable Benchmark Transition Start Date. In connection with the implementation of a Benchmark Replacement, Agent will have the right to make Conforming Changes from time to time and, notwithstanding

anything to the contrary herein or in any other Financing Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Financing Document. Agent will promptly notify Borrower and the Lenders of the implementation of any Benchmark Replacement and the effectiveness of any Conforming Changes.

(b) Any determination, decision or election that may be made by Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Financing Document, except, in each case, as expressly required pursuant to this Section. Notwithstanding anything to the contrary herein or in any other Financing Document, at any time, (a) if the then-current Benchmark is a term rate (including Term SOFR) and either (i) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Agent in its reasonable discretion or (ii) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then Agent may modify the definition of "Applicable Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor, and (b) if a tenor that was removed pursuant to clause (a) above either (i) is subsequently displayed on a screen or information service for a Benchmark or (ii) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark, then Agent may modify the definition of "Applicable Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor. Agent will promptly notify Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to this Section.

(c) Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Applicable Index Rate for any outstanding affected Credit Extensions will be deemed to be the Applicable Prime Rate at the end of the Applicable Interest Period.

2.8 Secured Promissory Notes. At the election of any Lender made as to each Credit Facility for which it has made Credit Extensions, each Credit Facility shall be evidenced by one (1) or more secured promissory notes in form and substance reasonably satisfactory to Agent and the Lenders (each a "**Secured Promissory Note**"). Upon receipt of an affidavit of an officer of a Lender as to the loss, theft, destruction, or mutilation of its Secured Promissory Note, Borrower shall issue, in lieu thereof, a replacement Secured Promissory Note in the same principal amount thereof and of like tenor.

3. CONDITIONS OF CREDIT EXTENSIONS

3.1 Conditions Precedent to Initial Credit Extension. Each Lender's obligation to make the initial advance in respect of a Credit Facility is subject to the condition precedent that Agent shall consent to or shall have received, in form and substance satisfactory to Agent, such documents, and completion of such other matters,

as Agent may reasonably deem necessary or appropriate, including, without limitation, all items listed on the Closing Deliveries Schedule attached hereto.

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

(a) satisfaction of all Applicable Funding Conditions for the applicable Credit Extension as set forth in the Credit Facility Schedule, if any, in each case each in form and substance satisfactory to Agent and each Lender;

(b) timely receipt by Agent and each Lender of an executed Credit Extension Form in the form attached hereto;

(c)

(i) for Credit Extensions made on the Closing Date, the representations and warranties in Article 5 and elsewhere in the Financing Documents shall be true, correct and complete in all material respects on the Closing Date; *provided*, *however*, that those representations and warranties expressly referring to a specific date shall be true, correct and complete in all material respects as of such date; *provided*, *further*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and

(ii) for Credit Extensions made after the Closing Date, if any, the representations and warranties in Article 5 and elsewhere in the Financing Documents shall be true, correct and complete in all material respects on the date of the Credit Extension Form and on the Funding Date of each Credit Extension; *provided*, *however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and *provided*, *further* that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in Article 5 and elsewhere in the Financing Documents remain true, accurate and complete in all material respects; *provided*, *however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and *provided*, *further* that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(d) no Default or Event of Default shall have occurred and be continuing or result from the Credit Extension;

(e) payment in full of the fees owed to Agent and the Lenders in connection with the making of the applicable Credit Extensions, including pursuant to the Fee Letters;

(f) Agent shall be satisfied with the results of any searches conducted under Section 3.5;

(g) receipt by Agent of such evidence as Agent shall reasonably request to confirm that the deliveries made in Section 3.1 remain current, accurate and in full force and effect, or if not, updates thereto, each in form and substance satisfactory to Agent; and

(h) as determined in such Lender's sole but reasonable discretion, there has not been any Material Adverse Change.

3.3 Method of Borrowing. Each Credit Extension in respect of each Credit Facility shall be in an amount at least equal to the applicable Minimum Credit Extension Amount for such Credit Facility as set forth in the Credit Facility Schedule or such lesser amount as shall remain undisbursed under the Applicable Commitments for such Credit Facility. The date of funding for any requested Credit Extension shall be a Business

Day. To obtain a Credit Extension, Borrower shall deliver to Agent a completed Credit Extension Form executed by a Responsible Officer. Agent may rely on any notice given by a person whom Agent reasonably believes is a Responsible Officer or designee thereof. Agent and the Lenders shall have no duty to verify the authenticity of any such notice.

3.4 Funding of Credit Facilities. In Agent's discretion, Credit Extensions may be funded by Agent on behalf of the Lenders or by the Lenders directly. If Agent elects to fund any Credit Extension on behalf of the Lenders, upon the terms and subject to the conditions set forth in this Agreement, each Lender, severally and not jointly, shall make available to Agent its Pro Rata Share of the requested Credit Extension, in lawful money of the United States of America in immediately available funds, prior to 11:00 a.m. (New York time) on the specified date for the Credit Extension. Agent (or if Agent elects to have each Lender fund its Credit Extensions to Borrower directly, each Lender) shall, unless it shall have determined that one of the conditions set forth in Section 3.1 or 3.2, as applicable, has not been satisfied, by 2:00 p.m. (New York time) on the specified date for the Credit Extension, credit the amounts received by it in like funds to Borrower by wire transfer to the Designated Funding Account (or to the account of Borrower in respect of the Obligations, if the Credit Extension is being made to pay an Obligation of Borrower). A Credit Extension made prior to the satisfaction of any conditions set forth in Section 3.1 or 3.2 shall not constitute a waiver by Agent or the Lenders of Borrower's obligation to satisfy such conditions, and any such Credit Extension made in the absence of such satisfaction shall be made in each Lender's discretion.

3.5 Searches. Before the Closing Date, and thereafter (as and when determined by Agent in its reasonable discretion), Agent shall have the right to perform, all at Borrower's expense, the searches described in clauses (a), (b), and (c) below against Borrower and any other Credit Party, the results of which are to be consistent with Borrower's representations and warranties under this Agreement and the reasonably satisfactory results of which shall be a condition precedent to all Credit Extensions requested by Borrower: (a) title investigations, UCC searches and fixture filings searches; (b) judgment, pending litigation, federal tax lien, personal property tax lien, and corporate and partnership tax lien searches, in each jurisdiction searched under clause (a) above; and (c) searches of applicable corporate, limited liability company, partnership and related records to confirm the continued existence, organization and good standing of the applicable Person and the exact legal name under which such Person is organized.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants to Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral, subject only to Permitted Liens that may have priority by operation of applicable Law or by the terms of a written intercreditor or subordination agreement entered into by Agent.

4.2 Representations and Covenants.

(a) As of the Closing Date , Borrower has no ownership interest in any Chattel Paper, letter of credit rights, commercial tort claims, Instruments, documents or investment property (other than as disclosed on the Disclosure Schedule attached hereto).

(b) Borrower shall promptly (and in any event within ten (10) Business Days of acquiring any of the following) deliver to Agent all tangible Chattel Paper and all Instruments and documents with an aggregate value in excess of [***] ($[***]) owned at any time by any Borrower and constituting part of the Collateral duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Agent. Borrower shall provide Agent with "control" (as defined in the Code) of all electronic Chattel Paper owned by any Borrower and constituting part of the Collateral by having Agent identified as the assignee on the records pertaining to the single authoritative copy thereof and otherwise complying with the applicable elements of control set forth in the Code. Borrower also shall deliver to Agent all security agreements securing any such Chattel Paper and securing any such Instruments. Borrower will mark conspicuously all such

Chattel Paper and all such Instruments and Documents with a legend, in form and substance satisfactory to Agent, indicating that such Chattel Paper and such Instruments and Documents are subject to the security interests and Liens in favor of Agent created pursuant to this Agreement and the Financing Documents.

(c) Borrower shall promptly (and in any event within ten (10) Business Days of acquiring any of the following) deliver to Agent all letters of credit with an aggregate value in excess of [***] ($[***]) on which any Borrower is the beneficiary and which give rise to letter of credit rights owned by such Borrower which constitute part of the Collateral in each case duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Agent. Borrower shall take any and all actions as may be necessary or desirable, or that Agent may request, from time to time, to cause Agent to obtain exclusive "control" (as defined in the Code) of any such letter of credit rights in a manner acceptable to Agent.

(d) Borrower shall promptly (and in any event within 10 Business Days) advise Agent upon any Borrower becoming aware that it has any interests in any commercial tort claim that constitutes part of the Collateral, which may reasonably exceed [***] ($[***]) which such notice shall include descriptions of the events and circumstances giving rise to such commercial tort claim and the dates such events and circumstances occurred, the potential defendants with respect such commercial tort claim and any court proceedings that have been instituted with respect to such commercial tort claims, and Borrower shall, with respect to any such commercial tort claim, execute and deliver to Agent such documents as Agent shall request to perfect, preserve or protect the Liens, rights and remedies of Agent with respect to any such commercial tort claim.

(e) No Inventory or other Collateral shall at any time be in the possession or control of any warehouse, consignee, bailee or any of Borrower's agents or processors without prior written notice to Agent and the receipt by Agent, if Agent has so requested, of (or solely with respect to locations of contract manufacturers, Borrower's use of commercially reasonable efforts to obtain) warehouse receipts, consignment agreements or bailee lien waivers (as applicable) satisfactory to Agent prior to the commencement of such possession or control, except for (x) locations where Borrower maintains less than $[***] in the aggregate of Inventory or other Collateral, or (y) clinical trial sites. Borrower shall, upon the request of Agent, notify any such warehouse, consignee, bailee, agent or processor of the security interests and Liens in favor of Agent created pursuant to this Agreement and the Financing Documents, instruct such Person to hold all such Collateral for Agent's account subject to Agent's instructions and shall, in Agent's discretion, obtain an Access Agreement or other acknowledgement from such Person that such Person holds the Collateral for Agent's benefit.

(f) Upon the reasonable request of Agent, Borrower shall promptly deliver to Agent any and all certificates of title, applications for title or similar evidence of ownership of all such tangible personal property and shall cause Agent to be named as lienholder on any such certificate of title or other evidence of ownership. Borrower shall not permit any such tangible personal property with an aggregate value in excess of [***] ($[***]) to become fixtures to real estate unless such real estate is subject to a Lien in favor of Agent.

(g) As of the Closing Date and each subsequent date that the representations and warranties under this Agreement are remade, all Deposit Accounts, Securities Accounts, Commodity Accounts or other bank accounts or investment accounts owned by Borrower, together with the purpose of such accounts and the financial institutions at which such accounts reside, are listed on the **Disclosure Schedule**.

(h) Each Borrower hereby authorizes Agent to file without the signature of such Borrower one or more UCC financing statements relating to its Liens on all or any part of the Collateral, which financing statements may list Agent as the "secured party" and such Borrower as the "debtor" and which describe and indicate the collateral covered thereby as all or any part of the Collateral under the Financing Documents, in such jurisdictions as Agent from time to time determines are appropriate, and to file without the signature of such Borrower any continuations of or corrective amendments to any such financing statements, in any such case in order for Agent to perfect, preserve or protect the Liens, rights and remedies of Agent with respect to the Collateral. Each Borrower also ratifies its authorization for Agent to have filed in any jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof. Any financing statement may include a notice that any

disposition of the Collateral in contravention of this Agreement, by either Borrower or any other Person, shall be deemed to violate the rights of Agent and the Lenders under the Code.

(i) As of the Closing Date, no Borrower holds, and, after the Closing Date, Borrower shall promptly notify Agent in writing upon creation or acquisition by any Borrower of, any Collateral which constitutes a claim against any Governmental Authority, including, without limitation, the federal government of the United States or any instrumentality or agency thereof, the assignment of which claim is restricted by any applicable Law, including, without limitation, the federal Assignment of Claims Act and any other comparable Law. Upon the request of Agent, Borrower shall take such steps as may be necessary or desirable, or that Agent may request, to comply with any such applicable Law.

(j) Borrower shall furnish to Agent from time to time any statements and schedules further identifying or describing the Collateral and any other information, reports or evidence concerning the Collateral as Agent may reasonably request from time to time.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows on the Closing Date, on the date of each Credit Extension, and on such other dates when such representations and warranties under this Agreement are made or deemed to be made:

5.1 Due Organization, Authorization: Power and Authority.

(a) Each Credit Party and each Subsidiary is duly organized, validly existing and in good standing (if applicable in such entity's jurisdiction of formation) as a Registered Organization in its respective jurisdiction of formation. Each Credit Party and each Subsidiary has the power to own its assets and is qualified and licensed to do business and is in good standing (if applicable in such jurisdiction) in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Change. The Financing Documents have been duly authorized, executed and delivered by each Credit Party and constitute legal, valid and binding agreements enforceable in accordance with their terms. The execution, delivery and performance by each Credit Party of each Financing Document executed or to be executed by it is in each case within such Credit Party's powers.

(b) The execution, delivery and performance by each Credit Party of the Financing Documents to which it is a party do not (i) conflict with any of such Credit Party's organizational documents; (ii) contravene, conflict with, constitute a default under or violate any Law in any material respect; (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which such Credit Party or any of its property or assets may be bound or affected; (iv) require any action by, filing, registration, or qualification with, or Required Permit from, any Governmental Authority (except such Required Permits which have already been obtained and are in full force and effect); or (v) constitute a default under or conflict with any Material Agreement. No Credit Party is in default under any agreement to which it is a party or by which it is bound in which the default would reasonably be expected to have a Material Adverse Change.

5.2 Litigation. Except as disclosed on the **Disclosure Schedule** or, after the Closing Date, pursuant to Section 6.7, there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Responsible Officers, threatened in writing by or against any Credit Party which involves the possibility of any judgment or liability of more than [***] ($[***]). There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Responsible Officers, threatened in writing by or against any Credit Party that could result in a Material Adverse Change, or which questions the validity of the Financing Documents or action to be taken pursuant to the Financing Documents.

5.3 No Material Deterioration in Financial Condition; Financial Statements. All financial statements for the Credit Parties delivered to Agent or any Lender fairly present, in conformity with GAAP (and as to unaudited financial statements, subject to normal periodic adjustments and the absence of footnote disclosures), in all material respects the consolidated financial condition and consolidated results of operations of such Credit Party.

There has been no material deterioration in the consolidated financial condition of any Credit Party from the most recent financial statements and projections submitted to Agent or any Lender. There has been no material adverse deviation from the most recent annual operating plan of Borrower delivered to Agent and the Lenders.

5.4 Solvency. The fair salable value of (a) Rigel's and (b) Rigel's and its Subsidiaries' (taken as a whole) assets exceeds, in each case, the fair value of their liabilities. After giving effect to the transactions described in this Agreement, (i) neither Rigel nor Rigel and its Subsidiaries (taken as a whole) is left with unreasonably small capital in relation to their business as presently conducted, and (ii) each of (x) Rigel and (y) Rigel and its Subsidiaries (taken as a whole) are able to pay, in each case, their debts (including trade debts) as they mature.

5.5 Subsidiaries; Investments; Margin Stock. Borrower and its Subsidiaries do not own any stock, partnership interest or other equity securities, except for Permitted Investments. Without limiting the foregoing, Borrower and its Subsidiaries do not own or hold any Margin Stock.

5.6 Tax Returns and Payments; Pension Contributions. Each Credit Party and its Subsidiaries has timely filed all required federal tax returns and all other material tax returns and reports, and, except for those Taxes that are subject to a Permitted Contest, each Credit Party and its Subsidiaries has timely paid all federal Taxes and all other material Taxes, assessments, deposits and contributions owed by such Credit Party or Subsidiary, as applicable. For purposes of this Section 5.6, any foreign, state or local Taxes, assessment, deposit or contribution, and any return with respect thereto, shall not be considered "material" if it is equal to or less than $[***] in the aggregate for all Taxes; *provided* that all foreign, state or local Tax, assessment, deposit or contribution, and any return with respect thereto shall be considered "material" if the nonpayment thereof or failure to file could be reasonably be expected to result in a Material Adverse Change. Other than as disclosed to Agent in accordance with Section 6.2, Borrower is unaware of any claims or adjustments proposed for any prior tax years of any Credit Party or any of its Subsidiaries which could result in additional Taxes becoming due and payable by such Credit Party. No Credit Party nor any trade or business (whether or not incorporated) that is under common control with any Credit Party within the meaning of Section 414(b) or (c) of the IRC (and Sections 414(m) and (o) of the IRC for purposes of the provisions relating to Section 412 of the IRC) or Section 4001 of ERISA (an "**ERISA Affiliate**") (i) has failed to satisfy the "minimum funding standards" (as defined in Section 412 of or Section 302 of ERISA), whether or not waived, with respect to any Pension Plan, (ii) has incurred liability with respect to the withdrawal or partial withdrawal of any Credit Party or ERISA Affiliate from any Pension Plan or incurred a cessation of operations that is treated as a withdrawal, (iii) has incurred any liability under Title IV of ERISA (other than for PBGC premiums due but not delinquent under Section 4007 of ERISA), (iv) has had any "reportable event" as defined in Section 4043(c) of ERISA (or the regulations issued thereunder) (other than an event for which the thirty (30) day notice requirement is waived) occur with respect to any Pension Plan or (v) failed to maintain (1) each "plan" (as defined by Section 3(3) of ERISA) in all material respects with the applicable provisions of ERISA, the IRC and other federal or state laws, and (2) the tax qualified status of each plan (as defined above) intended to be so qualified.

5.7 Intellectual Property and License Agreements. A list of all Registered Intellectual Property of each Credit Party and all material in-bound license or sublicense agreements, exclusive out-bound license or sublicense agreements, or other material rights of any Credit Party to use Intellectual Property (but excluding in-bound licenses of software that is commercially available to the public), as of the Closing Date and, as updated pursuant to Section 6.14, is set forth on the **Intangible Assets Schedule**. Such **Intangible Assets Schedule** shall be prepared by Borrower in the form provided by Agent and contain all information required in such form. Except for Permitted Licenses, each Credit Party is the sole owner of its Intellectual Property free and clear of any Liens other than Permitted Liens. Each of the Credit Parties patents is valid and enforceable and no part of the Material Intangible Assets has been judged invalid or unenforceable, in whole or in part, and to the best of

Borrower's knowledge, no claim has been made that any part of the Intellectual Property materially violates the rights of any third party.

5.8 Regulatory Status.

(a) All of Borrower's Products and material Regulatory Required Permits are listed on the **Products Schedule** and **Required Permits Schedule**, respectively (as updated from time to time pursuant to Section 6.14), and Borrower has delivered to Agent a copy of all Regulatory Required Permits reasonably requested by Agent as of the date hereof or to the extent requested by Agent pursuant to Section 6.16.

(b) None of the Borrower or any of its Subsidiaries are in violation of any Healthcare Law, except where any such violation could not reasonably be expected to result in a Material Adverse Change.

(c) None of the Borrower's or its Subsidiaries' officers, directors, employees or their agents or, to Borrower's knowledge, any of its shareholders or affiliates has made an untrue statement of material fact or fraudulent statement to the FDA or failed to disclose a material fact required to be disclosed to the FDA, committed an act, made a statement, or failed to make a statement that could reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Regulation 46191 (September 10, 1991).

(d) With respect to each Product, (i) Borrower and its Subsidiaries have received, and such Product is the subject of, all Regulatory Required Permits needed in connection with the testing, manufacture, marketing or sale of such Product as currently being conducted by or on behalf of Borrower, and have provided Agent and each Lender with all material notices and other material information required by Section 6.16, (ii) such Product is being tested, manufactured, marketed or sold, as the case may be, in material compliance with all applicable Laws and Regulatory Required Permits.

(e) As of the Closing Date, there have been no Regulatory Reporting Events.

5.9 No Default. No Event of Default, or to such Borrower's knowledge, Default, has occurred and is continuing. No Credit Party is in breach or default under or with respect to any contract, agreement, lease or other instrument to which it is a party or by which its property is bound or affected, which breach or default could reasonably be expected to have a Material Adverse Change.

5.10 Accuracy of Schedules and Perfection Certificate. All information set forth in the **Disclosure Schedule**, **Intangible Assets Schedule**, the **Required Permits Schedule** and the **Products Schedule** is true, accurate and complete in all material respects as of the Closing Date, the date of delivery of the last Compliance Certificate and any other subsequent date on which Borrower is requested to update such certificate. All information set forth in the Perfection Certificate is true, accurate and complete in all material respects as of the Closing Date, the date of each Credit Extension and each other subsequent date on which Borrower delivers an updated Perfection Certificate pursuant to Agent's request. Notwithstanding the foregoing, Borrower shall not be required to update information on any of the Disclosure Schedule, Intangible Assets Schedule, the Required Permits Schedule and the Products Schedule, except as expressly required by the Financing Documents.

6. AFFIRMATIVE COVENANTS

Borrower covenants and agrees as follows:

6.1 Organization and Existence; Government Compliance.

(a) Each Credit Party and its Subsidiaries shall maintain its legal existence and good standing in its respective jurisdiction of formation and shall maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change. If a Credit Party is not now a

Registered Organization but later becomes one, Borrower shall promptly notify Agent of such occurrence and provide Agent with such Credit Party's organizational identification number.

(b) Each Credit Party and its Subsidiaries shall comply with all Laws, ordinances and regulations to which it or its business locations are subject, the noncompliance with which could reasonably be expected to result in a Material Adverse Change. Each Credit Party shall obtain and keep in full force and effect and comply with all of the Required Permits, except where failure to have or maintain compliance with or effectiveness of such Required Permit could not reasonably be expected to result in a Material Adverse Change. Upon request of Agent or any Lender, each Credit Party shall promptly (and in any event within five (5) Business Days of such request) provide copies of any such obtained Required Permits to Agent. Borrower shall notify Agent within five (5) Business Days (but in any event prior to Borrower submitting any requests for Credit Extensions or release of any reserves) of the occurrence of any facts, events or circumstances known to a Borrower, whether threatened in writing, existing or pending, that could cause any Required Permit to become materially limited, suspended or revoked. Notwithstanding the foregoing, each Credit Party shall comply with Section 6.16 as it relates to Regulatory Required Permits and to the extent that there is a conflict between this Section and Section 6.16 as it relates to Regulatory Required Permits, Section 6.16 shall govern.

6.2 Financial Statements, Reports, Certificates.

(a) Each Credit Party shall deliver to Agent and each Lender: (i) as soon as available, but no later than (x) forty-five (45) days after the last day of each of March, June, September and December, and (y) thirty (30) days after the last day of each other month, a company prepared consolidated (and upon Agent's reasonable request, consolidating) balance sheet, income statement and cash flow statement covering such Credit Party's consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Agent and each Lender; (ii) as soon as available, but no later than ninety (90) days after the last day of a Credit Party's fiscal year, audited consolidated (and upon Agent's reasonable request, consolidating) financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than a going concern qualification based solely on Borrower having negative profits or a determination that Borrower has less than twelve months liquidity) on the financial statements from an independent certified public accounting firm acceptable to Agent and each Lender in its reasonable discretion which is Ernst & Young LLP as of the Closing Date; (iii) as soon as available after approval thereof by such Credit Party's governing board, but no later than sixty (60) days after the last day of such Credit Party's fiscal year, and as amended and/or updated, such Credit Party's financial projections for the current fiscal year; (iv) within five (5) days of delivery, copies of all statements, reports and notices made available to all of such Credit Party's security holders or to any holders of Subordinated Debt; (v) in the event that such Credit Party is or becomes subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, within five (5) days of filing, all reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission ("SEC") or a link thereto on such Credit Party's or another website on the Internet; (vi) as soon as available, but no later than thirty (30) days after the last day of each month, copies of the month-end account statements for each Collateral Account maintained by a Credit Party and each deposit account and securities account maintained by a Restricted Foreign Subsidiary, which statements may be provided to Agent and each Lender by Borrower or directly from the applicable institution(s); (vii) promptly (and in any event within ten (10) days of any request therefor) such readily available board reviewed budgets, sales projections, operating plans, financial information and other information, reports or statements regarding the Credit Parties or their respective businesses, contractors and subcontractors reasonably requested by Agent or any Lender; and (viii) within ten (10) days after any Credit Party becomes aware of any claim or adjustment proposed for any prior tax years of any Credit Party or any of their Subsidiaries which could result in additional Taxes becoming due and payable by such Credit Party or Subsidiary, notice of such claim or adjustment. Notwithstanding anything to the contrary herein, documents required to be delivered pursuant to Section 6.2(a)(i) or (ii) (to the extent any such documents are included in materials filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address.

(b) Within (x) forty-five (45) days after the last day of each of March, June, September and December, and (y) thirty (30) days after the last day of each other month, Borrower shall deliver to Agent and each Lender with the monthly financial statements described above, a duly completed Compliance

Certificate signed by a Responsible Officer. The Compliance Certificate shall include, without limitation, (i) a statement and report, on a form approved by Agent, detailing Borrower's calculations of compliance with Article 9 (to the extent applicable), (ii) the monthly cash and Cash Equivalents of Borrower and Borrower and its consolidated Subsidiaries and, if requested by Agent, bank statements and (iii) if reasonably requested by Agent, back-up documentation (including, without limitation, invoices, receipts and other evidence of costs incurred during such quarter as Agent shall reasonably require) evidencing the propriety of the calculations.

(c) Borrower shall cause each Credit Party to keep proper books of record and account in accordance with GAAP in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. Upon at least three (3) Business Days prior written notice and during normal business hours (which such limitations shall not apply if a Default or Event of Default has occurred and is continuing), Borrower shall allow, and cause each Credit Party to allow, Agent and the Lenders to visit and inspect any properties of a Credit Party, to examine and make abstracts or copies from any Credit Party's books, to conduct a collateral audit and analysis of its operations and the Collateral to verify the amount and age of the accounts, the identity and credit of the respective account debtors, to review the billing practices of the Credit Party and to discuss its respective affairs, finances and accounts with their respective officers, employees and independent public accountants once per fiscal year unless an Event of Default has occurred and is continuing. Borrower shall reimburse Agent and each Lender for all reasonable costs and expenses associated with such visits and inspections; *provided*, *however*, that Borrower shall be required to reimburse Agent and each Lender for such costs and expenses for no more than one (1) such visits and inspections per twelve (12) month period unless an Event of Default has occurred and is continuing at the time such an inspection or visit occurs.

(d) Borrower shall, and shall cause each Credit Party to, deliver to Agent and each Lender, within ten (10) Business Days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any of the Required Permits material to Borrower's business or otherwise on the operations of Borrower or any of its Subsidiaries.

(e) Borrower shall, and shall cause each Credit Party to, promptly, but in any event within five (5) Business Days, after any Responsible Officer of any Borrower obtains knowledge of the occurrence of any event or change (including, without limitation, any notice of any violation of Healthcare Laws) that has resulted or could reasonably be expected to result in, either in any case or in the aggregate, a Material Adverse Change, a certificate of a Responsible Officer specifying the nature and period of existence of any such event or change, or specifying the notice given or action taken by such holder or Person and the nature of such event or change, and what action the applicable Credit Party or Subsidiary has taken, is taking or proposes to take with respect thereto.

(f) Borrower shall, and shall cause each Credit Party to, promptly after the request by any Lender, provide all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act.

6.3 Maintenance of Property. Borrower shall, and shall cause each Credit Party to, cause all equipment and other tangible personal property other than Inventory to be maintained and preserved in the same condition, repair and in working order as of the date hereof, ordinary wear and tear excepted, and shall promptly make or cause to be made all repairs, replacements and other improvements in connection therewith that are necessary or desirable to such end. Borrower shall cause each Credit Party to keep all material Inventory in good and marketable condition, free from material defects. Returns and allowances between a Credit Party and its Account Debtors shall follow the Credit Party's customary practices as they exist at the Closing Date. Borrower

shall promptly notify Agent of all returns, recoveries, disputes and claims that involve more than [***] ($[***]) in the aggregate per fiscal year of Inventory collectively among all Credit Parties.

6.4 Taxes; Pensions.

(a) Borrower shall timely file and cause each Credit Party to timely file, all required federal tax returns and other material tax returns and reports and timely pay, and cause each Credit Party to timely pay, all federal Taxes and all other material foreign, state, and local Taxes, assessments, deposits and contributions owed, and shall deliver to Agent, promptly on demand, appropriate certificates attesting to such payments; *provided*, *however*, that a Credit Party may defer payment of any contested Taxes, so long as such Credit Party (i) in good faith contests its obligation to pay the Taxes by appropriate proceedings promptly and diligently instituted and conducted, (ii) notifies Agent in writing of the commencement of, and any material development in, the proceedings, and (iii) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested Taxes from obtaining a Lien upon any of the Collateral other than a Permitted Lien (such contest, a "Permitted Contest"). For purposes of this Section 6.4(a), any foreign, state or local Taxes, assessment, deposit or contribution, and any return with respect thereto, shall not be considered "material" if it is equal to or less than $[***] in the aggregate for all Taxes; *provided* that all foreign, state or local Tax, assessment, deposit or contribution, and any return with respect thereto shall be considered "material" if the nonpayment thereof or failure to file could be reasonably be expected to result in a Material Adverse Change.

(b) Borrower shall pay, and cause each Credit Party to pay, all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms. Each Credit Party and their ERISA Affiliates shall timely make all required contributions to each Pension Plan and shall maintain each "plan" (as defined by Section 3(3) of ERISA) in material compliance with the applicable provisions of ERISA, the Internal Revenue Code and other federal and state laws. Borrower shall give written notice to Agent and each Lender promptly (and in any event within three (3) Business Days) upon Borrower becoming aware of any (i) Credit Party's or any ERISA Affiliate's failure to make any contribution required to be made with respect to any Pension Plan not having been timely made, (ii) notice of the PBGC's, any Credit Party's or any ERISA Affiliate's intention to terminate or to have a trustee appointed to administer any such Pension Plan, or (iii) complete or partial withdrawal by any Credit Party or any ERISA Affiliate from any Pension Plan.

6.5 Insurance. Borrower shall, and shall cause each Credit Party to, keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Agent may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are satisfactory to Agent. All property policies shall have a lender's loss payable endorsement showing Agent as sole lender's loss payee and waive subrogation against Agent, and all liability policies shall show, or have endorsements showing, Agent as an additional insured. No other loss payees, unless expressly subordinate to Agent, may be shown on the policies unless Agent shall otherwise consent in writing. If required by Agent, all policies (or the loss payable and additional insured endorsements) shall provide that the insurer shall endeavor to give Agent at least twenty (20) days' (ten (10) days' for non-payment of premium) notice before canceling, amending, or declining to renew its policy. At Agent's request, Borrower shall deliver certified copies of all such Credit Party insurance policies and evidence of all premium payments. If any Credit Party fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Agent, Agent may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Agent deems prudent.

6.6 Collateral Accounts. Borrower shall, and shall cause each Credit Party to, provide Agent five (5) Business Days prior written notice before establishing any Collateral Account at or with any bank or financial institution. In addition, for each Collateral Account that any Credit Party at any time maintains (and in connection with any such Collateral Account established after the Closing Date, prior to opening such Collateral Account), Borrower shall, and shall cause each Credit Party to, cause the applicable bank or financial institution at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Agent's Lien in such Collateral Account in accordance with the terms hereunder, which Control Agreement, *inter alia*, (a) provides that, upon written notice from Agent, such bank or financial institution shall comply with instructions originated by Agent directing disposition of the

funds in such Collateral Account without further consent by Borrower and (b) may not be terminated without prior written consent of Agent. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and, in Agent's discretion, other employee wage and benefit payments to or for the benefit of a Credit Party's employees and identified to Agent by Borrower as such; *provided*, *however*, that, at all times Borrower shall maintain one (1) or more separate Deposit Accounts to hold any and all amounts to be used for payroll, payroll taxes and other employee wage and benefit payments, and shall not commingle any monies allocated for such purposes with funds in any other Deposit Account.

6.7 Notices of Material Agreements, Litigation and Defaults; Cooperation in Litigation.

(a) **Borrower shall promptly (and in any event within the time periods specified below) provide written notice** to Agent and each Lender that the following has occurred:

(i) Within five (5) Business Days of Borrower becoming aware of the existence of any Default or Event of Default;

(ii) Within five (5) Business Days of Borrower becoming aware of (or having reason to believe any of the following are pending or threatened in writing) any action, suit, proceeding or investigation by or against Borrower or any Credit Party which involves the possibility of any judgment or liability of more than [***] ($[***]) or that could result in a Material Adverse Change, or which questions the validity of any of the Financing Documents, or the other documents required thereby or any action to be taken pursuant to any of the foregoing; and

(iii) (A) Within ten (10) Business Days of Borrower receiving or delivering any notice of termination (due to a breach or default and not from termination in accordance with its terms) or similar notice in connection with any Material Agreement, and (B) together with delivery of the next Compliance Certificate, the execution of any new Material Agreement and/or any new material amendment, consent, waiver or other modification to any Material Agreement not previously disclosed. Documents required to be delivered pursuant to this Section 6.7(a)(iii) (to the extent any such documents are included in materials filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents or provides a link thereto, on Borrower's website on the Internet at Borrower's website address.

(iv) At any time after the Third Amendment Effective Date, Borrower shall immediately (but in any event within three (3) Business Days) notify Agent if Borrower Unrestricted Cash has fallen below the Minimum Cash Threshold.

(b) Borrower shall, and shall cause each Credit Party, to provide such further information (including copies of such documentation) as Agent or any Lender shall reasonably request with respect to any of the events or notices described in clause (a). From the date hereof and continuing through the termination of this Agreement, Borrower shall, and shall cause each Credit Party to, make available to Agent and each Lender, without expense to Agent or any Lender, each Credit Party's officers, employees and agents and books, to the extent that Agent or any Lender may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Agent or any Lender with respect to any Collateral or relating to a Credit Party.

6.8 Creation/Acquisition of Subsidiaries. Borrower shall provide Agent with at least ten (10) Business Days (or such shorter period as Agent may accept in its sole discretion) prior written notice of its intention to create or, to the extent permitted pursuant to this Agreement, acquire a new Subsidiary. Upon such creation or, to the extent permitted hereunder, acquisition of any Subsidiary, Borrower and such Subsidiary shall promptly (and in any event within thirty (30) days of such creation or acquisition) take all such action as may be reasonably required by Agent or the Required Lenders to cause each such Subsidiary (other than a Restricted Foreign Subsidiary) to either, in the discretion of Agent, become a co-Borrower hereunder or to guarantee the Obligations of Borrower under the Financing Documents and, in each case, grant a continuing pledge and security interest in and to the assets of such Subsidiary (substantially as described on **Exhibit A** hereto); and Borrower shall grant and pledge to Agent, for the ratable benefit of the Lenders, a perfected security interest in the stock, units or other evidence of ownership

of each Subsidiary (the foregoing collectively, the "**Joinder Requirements**"); *provided* that Borrower shall not be permitted to make any Investment in such Subsidiary until such time as Borrower has satisfied the Joinder Requirements.

6.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely for (a) transaction fees incurred in connection with the Financing Documents, and (b) for working capital needs of Borrower and its Subsidiaries and (c) any other Permitted Purpose specified in the Credit Facility Schedule for such Credit Facility. No portion of the proceeds of the Credit Extensions will be used for family, personal, agricultural or household use or to purchase Margin Stock.

6.10 Hazardous Materials; Remediation.

(a) If any release or disposal of Hazardous Materials shall occur or shall have occurred on any real property or any other assets of any Borrower or any other Credit Party, such Borrower will cause, or direct the applicable Credit Party to cause, the prompt containment and removal of such Hazardous Materials and the remediation of such real property or other assets as is necessary to comply in all material respects with all applicable Laws and to preserve the material value of such real property or other assets. Without limiting the generality of the foregoing, each Borrower shall, and shall cause each other Credit Party to, comply in all material respects with each applicable Law requiring the performance at any real property by any Borrower or any other Credit Party of activities in response to the release or threatened release of a Hazardous Material.

(b) Borrower will provide Agent within thirty (30) days after written demand therefor with a bond, letter of credit or similar financial assurance evidencing to the reasonable satisfaction of Agent that sufficient funds are available to pay the cost of removing, treating and disposing of any Hazardous Materials or Hazardous Materials Contamination and discharging any assessment which may be established on any property as a result thereof, such demand to be made, if at all, upon Agent's determination that the failure to remove, treat or dispose of any Hazardous Materials or Hazardous Materials Contamination, or the failure to discharge any such assessment could reasonably be expected to have a Material Adverse Change.

(c) If there is any conflict between this Section 6.10 and any environmental indemnity agreement which is a Financing Document, the environmental indemnity agreement shall govern and control.

6.11 Power of Attorney. Each of the officers of Agent is hereby irrevocably made, constituted and appointed the true and lawful attorney for each Borrower (without requiring any of them to act as such) with full power of substitution to do the following: (a) after the occurrence and during the continuance of an Event of Default, pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (b) so long as Agent has provided not less than three (3) Business Days' prior written notice to Borrower to perform the same and Borrower has failed to take such action, (i) execute in the name of any Person comprising Borrower any schedules, assignments, instruments, documents, and statements that Borrower is obligated to give Agent under this Agreement or that Agent or any Lender deems necessary to perfect or better perfect Agent's security interest or Lien in any Collateral, (ii) after the occurrence and during the continuance of an Event of Default, do such other and further acts and deeds in the name of Borrower that Agent may deem necessary or desirable to enforce, protect or preserve any Collateral or its rights therein, including, but not limited to, to sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; and (iii) after the occurrence and during the continuance of an Event of Default, (A) endorse the name of any Borrower upon any and all checks, drafts, money orders, and other instruments for the payment of money that are payable to Borrower; (B) make, settle, and adjust all claims under Borrower's insurance policies; (C) take any action any Credit Party is required to take under this Agreement or any other Financing Document; (D) transfer the Collateral into the name of Agent or a third party as the Code permits; (E) exercise any rights and remedies described in this Agreement or the other Financing

Documents; and (F) do such other and further acts and deeds in the name of Borrower that Agent may deem necessary or desirable to enforce its rights with regard to any Collateral.

6.12 Further Assurances. Borrower shall, and shall cause each Credit Party and their Subsidiaries to, at its own cost and expense, promptly and duly take, execute, acknowledge and deliver all such further acts, documents and assurances as may from time to time be necessary or as Agent or Required Lenders may from time to time reasonably request in order to carry out the intent and purposes of the Financing Documents and the transactions contemplated thereby, including all such actions to establish, create, preserve, protect and perfect a first priority Lien (subject only to Permitted Liens) in favor of Agent for itself and for the benefit Lenders on the Collateral (including Collateral acquired after the date hereof), including on any and all assets of each Credit Party, whether now owned or hereafter acquired (subject to the limitations set forth in the Financing Documents).

6.13 Post-Closing Obligations. Borrower shall, and shall cause each Credit Party to, complete each of the post-closing obligations and/or deliver to Agent each of the documents, instruments, agreements and information listed on the **Post-Closing Obligations Schedule** attached hereto, on or before the date set forth for each such item thereon (as the same may be extended by Agent in writing in its sole discretion), each of which shall be completed or provided in form and substance reasonably satisfactory to Agent and the Lenders.

6.14 Disclosure Schedule Updates. Borrower shall deliver to Agent, together with the each Compliance Certificate delivered with respect to the last month of a calendar quarter under this Agreement, an update to the **Disclosure Schedule** correcting all outdated, inaccurate, incomplete or misleading information therein. With respect to any proposed updates to the **Disclosure Schedule** involving Permitted Liens, Permitted Indebtedness or Permitted Investments, Agent will replace the **Disclosure Schedule** attached hereto with such proposed updates only if such updated information reflects transactions that are otherwise expressly permitted by the definitions of, and limitations herein pertaining to, Permitted Liens, Permitted Indebtedness or Permitted Investments (it being understood that such updates will not be deemed to amend the **Disclosure Schedule** as in effect on the Closing Date). With respect to any updates to the **Disclosure Schedule** involving matters other than those set forth in the preceding sentence, Agent will replace the applicable portion of the **Disclosure Schedule** attached hereto with such update upon Agent's receipt and approval thereof.

6.15 Intellectual Property and Licensing.

(a) Together with each Compliance Certificate required to be delivered pursuant to Section 6.2(b) delivered with respect to the last month of a calendar quarter, to the extent (A) Borrower acquires and/or develops any new Registered Intellectual Property, or (B) Borrower enters into or becomes bound by any additional in-bound license or sublicense agreement, any additional exclusive out-bound license or sublicense agreement or other material agreement with respect to rights in Intellectual Property (other than over-the-counter software that is commercially available to the public), or (C) there occurs any other material change in Borrower's Registered Intellectual Property, in-bound licenses or sublicenses or exclusive out-bound licenses or sublicenses from that listed on the **Intangible Assets Schedule**, together with such Compliance Certificate, deliver to Agent an updated **Intangible Assets Schedule** reflecting such updated information. With respect to any updates to the Intangible Assets Schedule involving exclusive out-bound licenses or sublicenses, such licenses shall be consistent with the definitions of and limitations herein pertaining to Permitted Licenses.

(b) If Borrower obtains any Registered Intellectual Property (other than Intellectual Property registered in a jurisdiction outside the United States to the extent the perfection of a security interest in such foreign registered Intellectual Property would require action outside of the United States), Borrower shall promptly execute such documents and provide such other information (including, without limitation, copies of applications) and take such other actions as Agent shall request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Agent, for the ratable benefit of Lenders, in the Registered Intellectual Property.

(c) Without limiting Section 6.15 (d), Borrower shall use commercially reasonably efforts to take such steps as Agent requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (x) all licenses or agreements to be deemed "Collateral" and for Agent to have a security

interest in it that might otherwise be restricted or prohibited by Law or by the terms of any such license or agreement, whether now existing or entered into in the future, and (y) Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Agent's rights and remedies under this Agreement and the other Financing Documents.

(d) Borrower shall own, or be licensed to use or otherwise have the right to use, all Material Intangible Assets subject to Permitted Licenses. Borrower shall cause all Registered Intellectual Property to be duly and properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filings or issuances, except where the failure to do so would not reasonably be expected to result in a Material Adverse Change. Borrower shall at all times conduct its business without material infringement or claim of infringement of any Intellectual Property rights of others. Borrower shall (i) protect, defend and maintain the validity and enforceability of its Material Intangible Assets (ii) promptly advise Agent in writing of material infringements of its Material Intangible Assets, or of a material claim of infringement by Borrower on the Intellectual Property rights of others, in each case to the extent Borrower has received written notice from a third party thereof; and (iii) not allow any of Borrower's Material Intangible Assets to be abandoned, invalidated, forfeited or dedicated to the public or to become unenforceable. Borrower shall not become a party to, nor become bound by, any material license or other agreement with respect to which Borrower is the licensee that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or other property.

(e) On the Third Amendment Effective Date, Borrower shall execute and deliver to Agent the IP Security Agreement. On the Third Amendment Effective Date, Agent is authorized to file UCC financing statements, financing statement amendments and security agreements (including any IP Security Agreement) necessary or desirable to perfect such security interest in the Intellectual Property (other than Excluded Property and other than Intellectual Property registered in a jurisdiction outside the United States to the extent the perfection of a security interest in such foreign registered Intellectual Property would require action outside of the United States), and (ii) each Credit Party shall execute such other agreements and take such other actions as Agent may reasonably require to establish, perfect or protect Agent's security interest in the Intellectual Property of Borrower (other than Excluded Property and other than Intellectual Property registered in a jurisdiction outside the United States to the extent the perfection of a security interest in such foreign registered Intellectual Property would require action outside of the United States).

6.16 Regulatory Reporting and Covenants.

(a) Borrower shall notify Agent and each Lender promptly, and in any event within five (5) Business Days of receiving, becoming aware of or determining that, (each, a "Regulatory Reporting Event" and collectively, the "Regulatory Reporting Events"):

(i) any Governmental Authority, specifically including the FDA is conducting or has conducted (A) if applicable, any investigation of Borrower's or its Subsidiaries' manufacturing facilities and processes for any Product (or any investigation of the facility of a contract manufacturer engaged by Borrower or its Subsidiaries in respect of a Product of which Borrower and/or its Subsidiaries are aware), which has disclosed any material deficiencies or violations of Laws and/or the Regulatory Required Permits related thereto or

(B) an investigation or review of any Regulatory Required Permit (other than routine reviews in the Ordinary Course of Business associated with the renewal of a Regulatory Required Permit),

(ii) any development, testing, and/or manufacturing of any [***] or any other material Product should cease,

(iii) if a Product has been approved for marketing and sale, any marketing or sales of such Product should cease or such Product should be withdrawn from the marketplace,

(iv) any Regulatory Required Permit has been revoked or withdrawn,

(v) adverse clinical test results have occurred with respect to any Product to the extent that such results have or could reasonably be expected to result in a Material Adverse Change,

(vi) receipt by Borrower or any Subsidiary thereof from the FDA a warning letter, Form FDA-483, "Untitled Letter," other correspondence or notice setting forth allegedly material objectionable observations or alleged material violations of laws and regulations enforced by the FDA, or any comparable correspondence from any state or local authority responsible for regulating drug products and establishments, or any comparable correspondence from any foreign counterpart of the FDA, or any comparable correspondence from any foreign counterpart of any state or local authority with regard to any Product or the manufacture, processing, packing, or holding thereof;

(vii) any Product recalls or voluntary Product withdrawals from any market (other than with respect to discrete batches or lots that are not material in quantity or amount and are not made in conjunction with a larger recall) have occurred, or

(viii) any material failures in the manufacturing of any Product have occurred such that the amount of such Product successfully manufactured in accordance with all specifications thereof and the required payments to be made to Borrower therefor in any month shall decrease materially with respect to the quantities of such Product and payments produced in the prior month.

Borrower shall provide to Agent or any Lender such further information (including copies of such documentation) as Agent or any Lender shall reasonably request with respect to any such Regulatory Reporting Event promptly upon, but in any event within five (5) Business Days of, such request.

(b) Borrower shall have, and shall ensure that it and each of its Subsidiaries has, each material Required Permit and other rights from, and have made all declarations and filings with, all applicable Governmental Authorities, all self-regulatory authorities and all courts and other tribunals necessary to engage in all material respects in the ownership, management and operation of the business or the assets of Borrower and Borrower shall take reasonable actions to ensure that no Governmental Authority has taken action to limit, suspend or revoke any such Required Permit. Borrower shall ensure that all such Required Permits are valid and in full force and effect and Borrower is in material compliance with the terms and conditions of all such Required Permits in all material respects.

(c) Borrower will maintain in full force and effect, and free from restrictions, probations, conditions or known conflicts which would materially impair the use or operation of Borrower's business and assets, all material Required Permits necessary under Healthcare Laws to carry on the business of Borrower as it is conducted on the Closing Date in all material respects.

(d) Borrower shall, and shall cause each Credit Party to, obtain and comply with and, to the extent applicable, use commercially reasonable efforts to cause all third parties to obtain and comply with, all Regulatory Required Permits at all times issued or required to be issued by any Governmental Authority,

specifically including the FDA, with respect to the development, testing, manufacture, marketing or sales of any Product by the Borrower as such activities are at any such time being conducted by such Borrower.

(e) Borrower will timely file or caused to be timely filed (after giving effect to any extension duly obtained), all material notifications, reports, submissions, material Required Permit renewals and reports required by applicable Healthcare Laws (which reports will be materially accurate and complete in all respects and not materially misleading in any respect and shall not remain open or unsettled).

(f) In the event Borrower or any Credit Party obtains any new Regulatory Required Permit or any information on the **Required Permits Schedule** becomes outdated, inaccurate, incomplete or misleading, Borrower shall, together with the next quarterly Compliance Certificate required to be delivered under this Agreement after such event, provide Agent with an updated **Required Permits Schedule** including such updated information

(g) If, after the Closing Date, (i) Borrower determines to manufacture, sell, develop, test or market any new Product (by itself or through a third party), Borrower shall deliver prior written notice to Agent of such determination (which shall include a brief description of such Product) and, together with delivery of the next quarterly Compliance Certificate shall provide an updated **Intangible Assets Schedule**, **Products Schedule** and **Required Permits Schedule** (and copies of such Required Permits as Agent may request) reflecting updates related to such determination.

7. NEGATIVE COVENANTS

Borrower shall not do, nor shall it permit any Credit Party or any of its Subsidiaries to do, any of the following:

7.1 Dispositions. Convey, sell, abandon, lease, license, transfer, assign or otherwise dispose of (including by merger, allocation of assets (including allocation of assets to any series of a limited liability company), division, consolidation or amalgamation) (collectively, "**Transfer**") all or any part of its business or property, except for (a) sales, transfers or dispositions of Inventory in the Ordinary Course of Business; (b) sales or abandonment of (i) worn-out, surplus or obsolete Equipment or other tangible personal property or (ii) other Equipment that is no longer used or useful in the business of Borrower with a fair salable value not to exceed [***] ($[***]) in the aggregate per fiscal year for all such Equipment and other tangible personal property Transferred pursuant clauses (i) and (ii); (c) to the extent constituting a Transfer, Permitted Liens; (d) to the extent they may constitute a Transfer, the use of cash and Cash Equivalents to make Permitted Investments; (e) the granting of Permitted Licenses; (f) Transfers from any Subsidiary to a Borrower, (g) Transfers between Guarantors, (h) Transfers from Credit Parties to Borrowers; (i) sales or discounting of delinquent accounts in the Ordinary Course of Business, (j) the expiration, forfeiture, invalidation, cancellation, abandonment of Intellectual Property (other than Material Intangible Assets) to the extent such Intellectual Property is no longer used or useful in the business of Borrower, or (k) long as no Event of Default has occurred and is continuing or would result therefrom, other Transfers of tangible personal property in the Ordinary Course of Business with a fair market value not to exceed [***] ($[***]) in the aggregate for all such property per fiscal year.

7.2 Changes in Business, Management, Ownership or Business Locations. (a) Engage in, or permit any of its Subsidiaries to engage in, any business other than the businesses currently engaged in by Borrower, such Credit Party or such Subsidiary, as applicable, or reasonably related thereto or a reasonable extension thereof; (b) liquidate or dissolve; *provided* that a Subsidiary that is not a Credit Party may liquidate or dissolve so long as such Subsidiary distributes its assets to a Credit Party upon such liquidation or dissolution; (c) enter into any transaction or series of related transactions which would result in a Change in Control unless the agreements with respect to such transactions provide for, as a condition precedent to the consummation thereof, either (x) the indefeasible payment in full of the Obligations or (y) the consent of Agent and the Lenders; (d) fail to deliver within sixty (60) days (or such longer time as approved by Agent) notice of the addition of any new offices or business locations, or of any new leases with respect to existing offices or business locations, and a fully-executed Access Agreement to Agent (except as otherwise provided below); (e) without at least ten (10) Business Days' prior written notice to Agent (i) change its jurisdiction of organization (provided that no Credit Party shall change its jurisdiction

of organization to a new country without Agent's consent); (ii) change its organizational structure or type; (iii) change its legal name; or (iv) change any organizational number (if any) assigned by its jurisdiction of organization. Notwithstanding the foregoing in the case of subpart (d) above, provided that the applicable lease or license agreement, or applicable law, does not grant to the landlord or licensor any Lien upon intangible assets of the tenant or licensee, subpart (d) shall not restrict leases or licenses for (i) such new or existing offices or business locations containing less than Five Hundred Thousand Dollars ($500,000) in Borrower's assets or property and not containing Borrower's Books and (ii) any new or existing business location constituting a warehouse, consignee or bailee location that does not contain any of Borrower's Books and would not otherwise require an Access Agreement pursuant to the criteria set forth in Section 4.2(e).

7.3 Mergers and Consolidations. Merge or consolidate with any other Person, *provided, however*, that (a) a Borrower may merge or consolidate into another Borrower, (b) a Guarantor may merge or consolidate into another Credit Party, (c) a Restricted Foreign Subsidiary may merge or consolidate into another Restricted Foreign Subsidiary and (d) a Subsidiary that is not a Credit Party may merge or consolidate into a Credit Party, so long as, in each case of the foregoing (a)-(d), (i) Borrower has provided Agent with prior written notice of such transaction, (ii) if a Credit Party is a party thereto, a Person already comprising a Credit Party shall be the surviving legal entity, (iii) if Rigel is a party thereto, Rigel shall be the surviving legal entity, (iv) if a Credit Party is a party thereto, the surviving Credit Party's tangible net worth is not thereby materially reduced, (v) no Event of Default has occurred and is continuing prior thereto or arises as a result therefrom and (vi) Borrower shall be in compliance with the covenants set forth in this Agreement both before and after giving effect to such transaction.

7.4 Indebtedness. (a) Create, incur, assume, or be liable for any Indebtedness other than Permitted Indebtedness or (b) purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness (other than with respect to the Obligations as described in Section 2.3) prior to its scheduled maturity.

7.5 Encumbrance. (a) Create, incur, allow, or suffer any Lien on any of its property, except for Permitted Liens, (b) permit any Collateral to fail to be subject to the first priority security interest granted herein except for Permitted Liens that may have priority by operation of applicable Law or by the terms of a written intercreditor or subordination agreement entered into by Agent, or (c) enter into any agreement, document, instrument or other arrangement (except with or in favor of Agent) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's property, except as is otherwise permitted in the definition of "Permitted Liens" herein.

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

7.7 Distributions; Investments and Acquisitions; Margin Stock.

(a) Pay any dividends or make any distribution or payment (or set aside any funds for payment) with respect to or redeem, retire or purchase or repurchase any of its equity interests other than Permitted Distributions.

(b) Directly or indirectly make any Investment (including, without limitation, any additional Investment in any Subsidiary and any Acquisition) other than Permitted Investments and Permitted Acquisitions.

(c) Without limiting the foregoing, Borrower shall not, and shall not permit any of its Subsidiaries or any Credit Party to, purchase or carry Margin Stock.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of any Credit Party, except for (a) transactions that are in the Ordinary Course of Business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person, (b) transactions with Subsidiaries that are designated as a

Borrower hereunder and that are not otherwise prohibited by Article 7 of this Agreement, (c) transactions permitted by Section 7.7(a) of this Agreement, (d) transactions constituting bona fide equity financings for capital raising purposes not otherwise in contravention of this Agreement, and (e) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans and indemnification arrangements approved by the relevant board of directors, board managers or equivalent corporate body in the Ordinary Course of Business).

7.9 Subordinated Debt; [***].

(a) (i) Make or permit any payment (or set aside any funds for payment) on, or any distribution in respect of, any Subordinated Debt, except to the extent expressly permitted to be made pursuant to the terms of the Subordination Agreement to which such Subordinated Debt is subject, or (ii) amend any provision in any document relating to the Subordinated Debt other than as may be expressly permitted pursuant to the terms of any applicable Subordination Agreement to which such Subordinated Debt is subject.

(b) [***].

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended or undertake as one of its important activities extending credit to purchase or carry Margin Stock, or use the proceeds of any Credit Extension for that purpose; (i) fail, or permit any ERISA Affiliate to fail, to meet "minimum funding standards" (as defined in Section 412 of the Internal Revenue Code or Section 302 of ERISA), whether or not waived, (ii) permit (with respect to any Credit Party, any Subsidiary of any Credit Party or any ERISA Affiliate thereof) a "reportable event" as defined in Section 4043(c) of ERISA (or the regulations issued thereunder) (other than an event for which the 30-day notice requirement is waived) to occur, (iii) engage in any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Internal Revenue Code that could reasonably be expected to result in liability in excess of [***] ($[***]) in the aggregate or that could reasonably be expected to result in a Material Adverse Change; (iv) fail to comply with the Federal Fair Labor Standards Act that could result in liability in excess of [***] ($[***]) in the aggregate or that could reasonably be expected to result in a Material Adverse Change; (v) permit (with respect to any Credit Party, any Subsidiary of any Credit Party or any ERISA Affiliate thereof) the withdrawal from participation in any Pension Plan, or (vi) incur, or permit any Credit Party, any Subsidiary of any Credit Party or any ERISA Affiliate thereof to incur, any liability under Title IV of ERISA (other than for PBGC premiums due but not delinquent under Section 4007 of ERISA).

7.11 Amendments to Organization Documents and Material Agreements. Amend, modify or waive any provision of (a) any Material Agreement in a manner that is materially adverse to Borrower or any of its Subsidiaries, that is adverse to Agent or any Lender, that pertains to rights to assign or grant a security interest in such Material Agreement or that could or could reasonably be expected to result in a Material Adverse Change, or (b) any of its organizational documents (other than a change in registered agents, or a change that could not adversely affect the rights of Agent or the Lenders hereunder, but, for the avoidance of doubt, under no circumstances a change of its name, type of organization or jurisdiction of organization), in each case, without the prior written consent of Agent. Borrower shall provide to Agent copies of all amendments, waivers and modifications of any Material Agreement or organizational documents.

7.12 Compliance with Anti-Terrorism Laws. Directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Borrower shall immediately notify Agent if Borrower has knowledge that Borrower or any Subsidiary or Affiliate is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Borrower will not, nor will Borrower permit any Subsidiary or Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set

forth in Executive Order No. 13224 or other Anti-Terrorism Law. Agent hereby notifies Borrower that pursuant to the requirements of Anti-Terrorism Laws, and Agent's policies and practices, Agent is required to obtain, verify and record certain information and documentation that identifies Borrower and its principals, which information includes the name and address of Borrower and its principals and such other information that will allow Agent to identify such party in accordance with Anti-Terrorism Laws.

7.13 Restricted Foreign Subsidiaries.

(a) Borrower shall not permit, at any time, the aggregate fair market value of all assets (including cash and Cash Equivalents) held by all Restricted Foreign Subsidiaries to exceed [***] ($[***]) (or the equivalent thereof in any foreign currency), in the aggregate.

(b) No Restricted Foreign Subsidiary shall own, or have an exclusive license in respect of, any Material Intangible Assets or other material Intellectual Property.

(c) No Credit Party shall Transfer any asset (including any Intellectual Property) to or make any Investment in any Restricted Foreign Subsidiary other than Investments of cash and cash equivalents permitted to be made pursuant to clause (k) of the definition of "Permitted Investment".

(d) No Borrower will, or will permit any Subsidiary, to commingle any of its assets (including any bank accounts, cash or cash equivalents) with the assets of any Person other than a Credit Party.

8. RESERVED

9. FINANCIAL COVENANTS

9.1 ***[***].***

9.2 ***[***].***

10. EVENTS OF DEFAULT

10.1 Events of Default. The occurrence of any of the following conditions and/or events, whether voluntary or involuntary, by operation of law or otherwise, shall constitute an "**Event of Default**" and Credit Parties shall thereupon be in default under this Agreement and each of the other Financing Documents:

(a) Borrower fails to (i) make any payment of principal or interest on any Credit Extension on its due date, or (ii) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 10.2 hereof).

(b) any Credit Party defaults in the performance of or compliance with any term contained in this Agreement or in any other Financing Document (other than occurrences described in other provisions of this Section 10.1 for which a different grace or cure period is specified or for which no grace or cure period is specified and thereby constitute immediate Events of Default) and such default is not remedied by the Credit Party or waived by Agent within thirty (30) days after the earlier of (i) the date of receipt by any Borrower of notice from Agent or the Required Lenders of such default, or (ii) the date an officer of such Credit Party becomes aware, or through the exercise of reasonable diligence should have become aware, of such default;

(c) any Credit Party defaults in the performance of or compliance with any term contained in Section 6.2, 6.4, 6.5, 6.6, 6.7(a), 6.8, 6.9, 6.10, 6.13, 6.15 or 6.16, Article 7 or Article 9;

(d) any representation, warranty, certification or statement made by any Credit Party or any other Person acting for or on behalf of a Credit Party (i) in any Financing Document or in any certificate,

financial statement or other document delivered pursuant to any Financing Document, or (ii) to induce Agent and/or Lenders to enter into this Agreement or any Financing Document is incorrect in any respect (or in any material respect if such representation, warranty, certification or statement is not by its terms already qualified as to materiality) when made (or deemed made);

(e) (i) any Credit Party materially defaults under or materially breaches any Material Agreement (after any applicable grace period contained therein and such default or breach is not effectively and permanently cured or waived by the applicable counterparties to such Material Agreement within ten (10) Business Days of the occurrence of such default or breach) or a Material Agreement shall be terminated by a third party or parties party thereto prior to the expiration thereof which termination could reasonably be expected to have a Material Adverse Change, or there is a loss of a material right of a Credit Party under any Material Agreement to which it is a party, (ii) (A) any Credit Party or any Subsidiary of a Credit Party fails to make (after any applicable grace period) any payment when due (whether due because of scheduled maturity, required prepayment provisions, acceleration, demand or otherwise) on any Indebtedness (other than the Obligations) of such Credit Party or such Subsidiary having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than [***] ($[***]) ("**Material Indebtedness**"), (B) any other event shall occur or condition shall exist under any contractual obligation relating to any such Material Indebtedness, if the effect of such event or condition is to accelerate, or to permit the acceleration of (without regard to any subordination terms with respect thereto), the maturity of such Material Indebtedness or (C) any such Material Indebtedness shall become or be declared to be due and payable, or be required to be prepaid, redeemed, defeased or repurchased (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof, (iii) the occurrence of any breach or default under any terms or provisions of any Subordinated Debt Document or under any agreement subordinating the Subordinated Debt to all or any portion of the Obligations, or the occurrence of any event requiring the prepayment of any Subordinated Debt, or the delivery of any notice with respect to any Subordinated Debt or pursuant to any Subordination Agreement that triggers the start of any standstill or similar period under any Subordination Agreement, or (iv) any Borrower makes any payment on account of any Indebtedness that has been subordinated to any of the Obligations, other than payments specifically permitted by the terms of such subordination;

(f) (i) any Credit Party or any Subsidiary of a Credit Party shall generally not pay its debts as such debts become due, shall admit in writing its inability to pay its debts generally, shall make a general assignment for the benefit of creditors, or shall cease doing business as a going concern, (ii) any proceeding shall be instituted by or against any Credit Party or any Subsidiary of a Credit Party in any jurisdiction seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, composition of it or its debts or any similar order, in each case under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or seeking the entry of an order for relief or the appointment of a custodian, receiver, trustee, conservator, liquidating agent, liquidator, other similar official or other official with similar powers, in each case for it or for any substantial part of its property and, in the case of any such proceedings instituted against (but not by or with the consent of) such Credit Party or such Subsidiary, either such proceedings shall remain undismissed or unstayed for a period of forty-five (45) days or more or any action sought in such proceedings shall occur or (iii) any Credit Party or any Subsidiary of a Credit Party shall take any corporate or similar action or any other action to authorize any action described in clause (i) or (ii) above;

(g) (i) the service of process seeking to attach, execute or levy upon, seize or confiscate any Collateral Account, any material Intellectual Property, or any funds of any Credit Party on deposit with Agent, any Lender or any Affiliate of Agent or any Lender, or (ii) a notice of lien, levy, or assessment is filed against any assets of a Credit Party by any government agency, and the same under subclauses (i) and (ii) hereof are not discharged or stayed (whether through the posting of a bond or otherwise) prior to the earlier to occur of thirty (30) days after the occurrence thereof or such action becoming effective;

(h) (i) any court order enjoins, restrains, or prevents a Credit Party from conducting any material part of its business, (ii) the institution by any Governmental Authority of criminal proceedings against any Credit Party or its Subsidiary, or (iii) one or more judgments or orders for the payment of money (not paid or fully covered by insurance and as to which the relevant insurance company has acknowledged coverage in writing) aggregating in excess of than [***] ($[***]) shall be rendered against any or all Credit Parties or their Subsidiaries

and either (A) enforcement proceedings shall have been commenced and not effectively stayed by any creditor upon any such judgments or orders, or (B) there shall be any period of twenty (20) consecutive days during which a stay of enforcement of any such judgments or orders, by reason of a pending appeal, bond or otherwise, shall not be in effect;

(i) any Lien created by any of the Financing Documents shall at any time fail to constitute a valid and perfected Lien on all of the Collateral purported to be encumbered thereby, subject to no prior or equal Lien except Permitted Liens and other than solely as a result of any action or inaction of Agent or Lenders provided that such action or inaction is not caused by a Credit Party's failure to comply with the terms of the Financing Documents, or any Credit Party shall so assert; any provision of any Financing Document shall fail to be valid and binding on, or enforceable against, a Credit Party, or any Credit Party shall so assert;

(j) a Change in Control occurs;

(k) any Required Permit shall have been (i) revoked, rescinded, suspended, modified in a materially adverse manner or not renewed in the Ordinary Course of Business for a full term, or (ii) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Required Permit or that could result in the Governmental Authority taking any of the actions described in clause (i) above, and such decision or such revocation, rescission, suspension, modification or non-renewal has, or could reasonably be expected to have, a Material Adverse Change;

(l) (i) the voluntary withdrawal or institution of any action or proceeding by the FDA or similar Governmental Authority to order the withdrawal of any Product or Product category from the market or to enjoin Borrower, its Subsidiaries or any representative of Borrower or its Subsidiaries from manufacturing, marketing, selling or distributing any Product or Product category, in each case, in the United States on in any state thereof, (ii) the institution of any action or proceeding by any DEA, FDA, or any other Governmental Authority to revoke, suspend, reject, withdraw, limit, or restrict any Regulatory Required Permit held by Borrower, its Subsidiaries or any representative of Borrower or its Subsidiaries, which, in each case, has or could reasonably be expected to result in Material Adverse Change, (iii) the commencement of any enforcement action against Borrower, its Subsidiaries or any representative of Borrower or its Subsidiaries (with respect to the business of Borrower or its Subsidiaries) by DEA, FDA, or any other Governmental Authority which has or could reasonably be expected to result in a Material Adverse Change, or (iv) the occurrence of adverse test results in connection with a Product which has or could reasonably be expected to result in a Material Adverse Change.

(m) [reserved]; or

(n) the occurrence of any fact, event or circumstance that results in a Material Adverse Change.

All cure periods provided for in this Section 10.1 shall run concurrently with any cure period provided for in any applicable Financing Documents under which the default occurred.

10.2 Rights and Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, Agent may, and at the written direction of Required Lenders shall, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Borrower, (ii) by notice to any Borrower declare all Obligations immediately due and payable (but if an Event of Default described in Section 10.1(f) occurs all Obligations shall be immediately due and payable without any action by Agent or the Lenders), or (iii) by notice to any Borrower suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between any Credit Party and Agent and/or the Lenders (but if an Event of Default described in Section 10.1(f) occurs all obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between

Borrower and Agent and/or the Lenders shall be immediately terminated without any action by Agent or the Lenders).

(b) Without limiting the rights of Agent and the Lenders set forth in Section 10.2(a) above, upon the occurrence and during the continuance of an Event of Default, Agent shall have the right, without notice or demand, to do any or all of the following:

(i) with or without legal process, enter any premises where the Collateral may be and take possession of and remove the Collateral from the premises or store it on the premises, and foreclose upon and/or sell, lease or liquidate, the Collateral, in whole or in part;

(ii) apply to the Obligations (A) any balances and deposits of any Credit Party that Agent or any Lender or any Affiliate of Agent or a Lender holds or controls, or (B) any amount held or controlled by Agent or any Lender or any Affiliate of Agent or a Lender owing to or for the credit or the account of any Credit Party;

(iii) settle, compromise or adjust and grant releases with respect to disputes and claims directly with Account Debtors for amounts on terms and in any order that Agent considers advisable, notify any Person owing any Credit Party money of Agent's security interest in such funds, and verify the amount of such Account;

(iv) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Agent requests and make it available as Agent designates. Agent may also render any or all of the Collateral unusable at a Credit Party's premises and may dispose of such Collateral on such premises without liability for rent or costs. Borrower grants Agent a license to enter and occupy any of its premises, without charge, to exercise any of Agent's rights or remedies;

(v) pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred;

(vi) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, and/or advertise for sale, the Collateral. Agent is hereby granted a non-exclusive, royalty-free license or other right to use, upon the occurrence an during the continuance of an Event of Default, without charge, Borrower's labels, patents, copyrights, mask works, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral (and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof) and, in connection with Agent's exercise of its rights under this Article 10, Borrower's rights under all licenses and all franchise agreements shall be deemed to inure to Agent for the benefit of the Lenders, subject to any rights of third party licensors and licensees, as applicable;

(vii) place a "hold" on any account maintained with Agent or the Lenders or any Affiliate of Agent or a Lender and/or deliver a notice of exclusive control, any entitlement order, or other

directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(viii) demand and receive possession of the Books of Borrower and the other Credit Parties; and

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

10.3 Notices. Any notice that Agent is required to give to a Credit Party under the UCC of the time and place of any public sale or the time after which any private sale or other intended disposition of the Collateral is to be made shall be deemed to constitute reasonable notice if such notice is given in accordance with this Agreement at least five (5) days prior to such action.

10.4 Protective Payments. If any Credit Party fails to pay or perform any covenant or obligation under this Agreement or any other Financing Document, Agent may pay or perform such covenant or obligation, and all amounts so paid by Agent are Protective Advances and immediately due and payable, bearing interest at the then highest applicable rate for the Credit Facilities hereunder, and secured by the Collateral. No such payments or performance by Agent shall be construed as an agreement to make similar payments or performance in the future or constitute Agent's waiver of any Event of Default.

10.5 Liability for Collateral No Waiver; Remedies Cumulative. So long as Agent and the Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Agent and the Lenders, Agent and the Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral. Agent's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Financing Document shall not waive, affect, or diminish any right of Agent thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Agent and then is only effective for the specific instance and purpose for which it is given. Agent's rights and remedies under this Agreement and the other Financing Documents are cumulative. Agent has all rights and remedies provided under the Code, by Law, or in equity. Agent's exercise of one (1) right or remedy is not an election, and Agent's waiver of any Event of Default is not a continuing waiver. Agent's delay in exercising any remedy is not a waiver, election, or acquiescence.

10.6 Application of Payments and Proceeds. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, (i) Borrower, for itself and the other Credit Parties, irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Agent from or on behalf of Borrower of all or any part of the Obligations, and, as between Borrower and the Credit Parties on the one hand and Agent and the Lenders on the other, Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as Agent may deem advisable notwithstanding any previous application by Agent, and (ii) unless Agent and the Lenders shall agree otherwise, the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: *first*, to the Protective Advances; *second*, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the United States Bankruptcy Code, would have accrued on such amounts); *third*, to the principal amount of the Obligations outstanding; and *fourth*, to any other indebtedness or obligations of the Credit Parties owing to Agent or any Lender under the Financing Documents. Borrower shall remain fully liable for any deficiency. Any balance remaining shall be delivered to Borrower or to whomever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. Unless Agent and the Lenders shall agree otherwise, in carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding

category, and (y) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category.

10.7 Waivers.

(a) Except as otherwise provided for in this Agreement and to the fullest extent permitted by applicable law, each Borrower waives: (i) presentment, demand and protest, and notice of presentment, dishonor, intent to accelerate, acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all Financing Documents and hereby ratifies and confirms whatever Agent or the Lenders may do in this regard; (ii) all rights to notice and a hearing prior to Agent's or any Lender's entry upon the premises of a Borrower, the taking possession or control of, or to Agent's or any Lender's replevy, attachment or levy upon, any Collateral or any bond or security which might be required by any court prior to allowing Agent or any Lender to exercise any of its remedies; and (iii) the benefit of all valuation, appraisal and exemption Laws. Each Borrower acknowledges that it has been advised by counsel of its choices and decisions with respect to this Agreement, the other Financing Documents and the transactions evidenced hereby and thereby.

(b) Each Borrower for itself and all its successors and assigns, (i) agrees that its liability shall not be in any manner affected by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by any Lender; (ii) consents to any indulgences and all extensions of time, renewals, waivers, or modifications that may be granted by Agent or any Lender with respect to the payment or other provisions of the Financing Documents, and to any substitution, exchange or release of the Collateral, or any part thereof, with or without substitution, and agrees to the addition or release of any Borrower, endorsers, guarantors, or sureties, or whether primarily or secondarily liable, without notice to any other Borrower and without affecting its liability hereunder; (iii) agrees that its liability shall be unconditional and without regard to the liability of any other Borrower, Agent or any Lender for any tax on the indebtedness; and (iv) to the fullest extent permitted by law, expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing.

(c) To the extent that Agent or any Lender may have acquiesced in any noncompliance with any requirements or conditions precedent to the closing of the Credit Facilities or to any subsequent disbursement of Credit Extensions, such acquiescence shall not be deemed to constitute a waiver by Agent or any Lender of such requirements with respect to any future Credit Extensions and Agent may at any time after such acquiescence require Borrower to comply with all such requirements. Any forbearance by Agent or a Lender in exercising any right or remedy under any of the Financing Documents, or otherwise afforded by applicable law, including any failure to accelerate the maturity date of the Credit Facilities, shall not be a waiver of or preclude the exercise of any right or remedy nor shall it serve as a novation of the Financing Documents or as a reinstatement of the Obligations or a waiver of such right of acceleration or the right to insist upon strict compliance of the terms of the Financing Documents. Agent's or any Lender's acceptance of payment of any sum secured by any of the Financing Documents after the due date of such payment shall not be a waiver of Agent's and such Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other Liens or charges by Agent as the result of an Event of Default shall not be a waiver of Agent's right to accelerate the maturity of the Obligations, nor shall Agent's receipt of any condemnation awards, insurance proceeds, or damages under this Agreement operate to cure or waive any Credit Party's default in payment of sums secured by any of the Financing Documents.

(d) Without limiting the generality of anything contained in this Agreement or the other Financing Documents, each Borrower agrees that if an Event of Default is continuing (i) Agent and the Lenders shall not be subject to any "one action" or "election of remedies" law or rule, and (ii) all Liens and other rights, remedies or privileges provided to Agent or the Lenders shall remain in full force and effect until Agent or the Lenders have exhausted all remedies against the Collateral and any other properties owned by Borrower and the

Financing Documents and other security instruments or agreements securing the Obligations have been foreclosed, sold and/or otherwise realized upon in satisfaction of Borrower's obligations under the Financing Documents.

(e) Neither Agent nor any Lender shall be under any obligation to marshal any assets in payment of any or all of the Obligations. Nothing contained herein or in any other Financing Document shall be construed as requiring Agent or any Lender to resort to any part of the Collateral for the satisfaction of any of Borrower's obligations under the Financing Documents in preference or priority to any other Collateral, and Agent may seek satisfaction out of all of the Collateral or any part thereof, in its absolute discretion in respect of Borrower's obligations under the Financing Documents. To the fullest extent permitted by law, each Borrower, for itself and its successors and assigns, waives in the event of foreclosure of any or all of the Collateral any equitable right otherwise available to any Credit Party which would require the separate sale of any of the Collateral or require Agent or the Lenders to exhaust their remedies against any part of the Collateral before proceeding against any other part of the Collateral; and further in the event of such foreclosure each Borrower does hereby expressly consent to and authorize, at the option of Agent, the foreclosure and sale either separately or together of each part of the Collateral.

10.8 Injunctive Relief. The parties acknowledge and agree that, in the event of a breach or written threatened breach of any Credit Party's obligations under any Financing Documents, Agent and the Lenders may have no adequate remedy in money damages and, accordingly, shall be entitled to an injunction (including, without limitation, a temporary restraining order, preliminary injunction, writ of attachment, or order compelling an audit) against such breach or written threatened breach, including, without limitation, maintaining any cash management and collection procedure described herein. However, no specification in this Agreement of a specific legal or equitable remedy shall be construed as a waiver or prohibition against any other legal or equitable remedies in the event of a breach or written threatened breach of any provision of this Agreement. Each Credit Party waives, to the fullest extent permitted by law, the requirement of the posting of any bond in connection with such injunctive relief. By joining in the Financing Documents as a Credit Party, each Credit Party specifically joins in this Section 10.8 as if this Section 10.8 were a part of each Financing Document executed by such Credit Party.

11. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Financing Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail (if an email address is specified herein) or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Agent, a Lender or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Article 11.

If to Borrower:

Rigel Pharmaceuticals, Inc.
1180 Veterans Blvd.
South San Francisco, CA 94080
Attn: _____
Fax: (___) ___-____
Email:

If to Agent or to MidCap (or any of its Affiliates or Approved Funds) as a Lender:

MidCap Financial Trust
c/o MidCap Financial Services, LLC, as servicer
7255 Woodmont Ave, Suite 200
Bethesda, MD 20814

Attn: Account Manager for Rigel transaction
Fax: 301-941-1450
Email: notices@midcapfinancial.com

With a copy to:

MidCap Financial Trust
c/o MidCap Financial Services, LLC, as servicer
7255 Woodmont Ave, Suite 200
Bethesda, MD 20814
Attn: Legal
Fax: 301-941-1450
Email: legalnotices@midcapfinancial.com

If to any Lender other than MidCap: at the address set forth on the signature pages to this Agreement or provided as a notice address for such in connection with any assignment hereunder.

12. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER; CALIFORNIA WAIVERS

12.1 THIS AGREEMENT, EACH SECURED PROMISSORY NOTE AND EACH OTHER FINANCING DOCUMENT (EXCLUDING THOSE FINANCING DOCUMENTS THAT BY THEIR OWN TERMS ARE EXPRESSLY GOVERNED BY THE LAWS OF ANOTHER JURISDICTION), AND THE RIGHTS, REMEDIES AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT OR SUCH FINANCING DOCUMENT (EXCLUDING THOSE FINANCING DOCUMENTS THAT BY THEIR OWN TERMS ARE EXPRESSLY GOVERNED BY THE LAWS OF ANOTHER JURISDICTION), THE RELATIONSHIP OF THE PARTIES, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES AND ALL OTHER MATTERS RELATING HERETO, THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW). NOTWITHSTANDING THE FOREGOING, AGENT AND THE LENDERS SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH AGENT AND THE LENDERS (IN ACCORDANCE WITH THE PROVISIONS OF SECTION 12.1) DEEM NECESSARY OR APPROPRIATE TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE AGENT'S AND LENDERS' RIGHTS AGAINST BORROWER OR ITS PROPERTY. BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN THE STATE OF NEW YORK AND ANY SUCH OTHER JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE, OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. BORROWER HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINTS, AND OTHER PROCESS ISSUED IN SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS, AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO BORROWER AT THE ADDRESS SET FORTH IN ARTICLE 11 OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER TO OCCUR OF BORROWER'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAIL, PROPER POSTAGE PREPAID.

12.2

(a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, AGENT AND THE LENDERS EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY

CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE FINANCING DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

(b) IN THE EVENT THAT ANY SUCH ACTION IS COMMENCED OR MAINTAINED IN ANY COURT IN THE STATE OF CALIFORNIA, AND THE WAIVER OF JURY TRIAL SET FORTH IN THE SECTION ABOVE IS NOT ENFORCEABLE, AND EACH PARTY TO SUCH ACTION DOES NOT SUBSEQUENTLY WAIVE IN AN EFFECTIVE MANNER UNDER CALIFORNIA LAW ITS RIGHT TO A TRIAL BY JURY, THE PARTIES HERETO HEREBY ELECT TO PROCEED AS FOLLOWS:

(i) WITH THE EXCEPTION OF THE ITEMS SPECIFIED IN CLAUSE (II) BELOW, ANY CONTROVERSY, DISPUTE OR CLAIM (EACH, A "CONTROVERSY") BETWEEN THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT WILL BE RESOLVED BY A REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF SECTIONS 638, *ET SEQ*. OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, OR THEIR SUCCESSOR SECTIONS, WHICH SHALL CONSTITUTE THE EXCLUSIVE REMEDY FOR THE RESOLUTION OF ANY CONTROVERSY, INCLUDING WHETHER THE CONTROVERSY IS SUBJECT TO THE REFERENCE PROCEEDING. EXCEPT AS OTHERWISE PROVIDED ABOVE, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN ANY COURT IN WHICH VENUE IS APPROPRIATE UNDER APPLICABLE LAW (THE "COURT").

(ii) THE MATTERS THAT SHALL NOT BE SUBJECT TO A REFERENCE PROCEEDING ARE THE FOLLOWING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY; (B) EXERCISE OF SELF HELP REMEDIES (INCLUDING SET-OFF); (C) APPOINTMENT OF A RECEIVER; AND (D) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) AND (B) OR TO SEEK OR OPPOSE FROM A COURT OF COMPETENT JURISDICTION ANY OF THE ITEMS DESCRIBED IN CLAUSES (C) AND (D). THE EXERCISE OF, OR OPPOSITION TO, ANY OF THOSE ITEMS DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

(iii) THE REFEREE SHALL BE A RETIRED JUDGE OR JUSTICE SELECTED BY MUTUAL WRITTEN AGREEMENT OF THE PARTIES. IF THE PARTIES DO NOT AGREE WITHIN TEN (10) DAYS OF A WRITTEN REQUEST TO DO SO BY ANY PARTY, THEN, UPON REQUEST OF ANY PARTY, THE REFEREE SHALL BE SELECTED BY THE PRESIDING JUDGE OF THE COURT (OR HIS OR HER REPRESENTATIVE). A REQUEST FOR APPOINTMENT OF A REFEREE MAY BE HEARD ON AN *EX PARTE* OR EXPEDITED BASIS, AND THE PARTIES AGREE THAT IRREPARABLE HARM WOULD RESULT IF *EX PARTE* RELIEF IS NOT GRANTED.

(iv) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT THAT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AT ANY HEARING CONDUCTED BEFORE THE REFEREE, AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH A REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR THE COURT REPORTER. SUBJECT TO THE REFEREE'S POWER TO AWARD COSTS TO

THE PREVAILING PARTY, THE CREDIT PARTIES WILL PAY THE COST OF THE REFEREE AND ALL COURT REPORTERS.

(v) THE REFEREE SHALL BE REQUIRED TO DETERMINE ALL ISSUES IN ACCORDANCE WITH EXISTING APPLICABLE CASE LAW AND STATUTORY LAW. THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE COURT WILL BE APPLICABLE TO THE REFERENCE PROCEEDING. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF, ENTER EQUITABLE ORDERS THAT WILL BE BINDING ON THE PARTIES AND RULE ON ANY MOTION THAT WOULD BE AUTHORIZED IN A COURT PROCEEDING. THE REFEREE SHALL ISSUE A DECISION AT THE CLOSE OF THE REFERENCE PROCEEDING WHICH DISPOSES OF ALL CLAIMS OF THE PARTIES THAT ARE THE SUBJECT OF THE REFERENCE PROCEEDING. PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 644, SUCH DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT OR AN ORDER IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT AND ANY SUCH DECISION WILL BE FINAL, BINDING AND CONCLUSIVE. THE PARTIES RESERVE THE RIGHT TO APPEAL FROM THE FINAL JUDGMENT OR ORDER OR FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE. THE PARTIES RESERVE THE RIGHT TO FINDINGS OF FACT, CONCLUSIONS OF LAWS, A WRITTEN STATEMENT OF DECISION, AND THE RIGHT TO MOVE FOR A NEW TRIAL OR A DIFFERENT JUDGMENT, WHICH NEW TRIAL, IF GRANTED, IS ALSO TO BE A REFERENCE PROCEEDING UNDER THIS PROVISION.

(vi) NEITHER THE INCLUSION OF THIS SECTION 12.2(b), NOR ANY REFERENCE TO CALIFORNIA LAW CONTAINED HEREIN SHALL BE DEEMED TO AFFECT OR LIMIT IN ANY WAY THE PARTIES' CHOICE OF NEW YORK LAW OR IMPLY THAT THE CREDIT PARTIES HAVE AGREED TO VENUE IN CALIFORNIA.

12.3 [Reserved].

12.4 [Reserved].

12.5 California Waiver.

(a) BY SIGNING BELOW, EACH BORROWER WAIVES ANY RIGHT, UNDER CALIFORNIA CIVIL CODE SECTION 2954.10 OR OTHERWISE, TO PREPAY ANY PORTION OF THE OUTSTANDING PRINCIPAL BALANCE UNDER THIS AGREEMENT WITHOUT A PREPAYMENT FEE. EACH BORROWER ACKNOWLEDGES THAT PREPAYMENT OF THE PRINCIPAL BALANCE MAY RESULT IN AGENT AND/OR A LENDER INCURRING ADDITIONAL LOSSES, COSTS, EXPENSES AND LIABILITIES, INCLUDING LOST REVENUE AND LOST PROFITS. EACH BORROWER THEREFORE AGREES TO PAY A PREPAYMENT FEE AND HEREIN IF ANY PRINCIPAL AMOUNT IS PREPAID, WHETHER VOLUNTARILY OR BY REASON OF ACCELERATION, INCLUDING ACCELERATION UPON ANY SALE OR OTHER TRANSFER OF ANY INTEREST IN THE COLLATERAL.EACH BORROWER FURTHER AGREES THAT AGENT'S AND EACH LENDER'S WILLINGNESS TO OFFER THE INTEREST RATE DESCRIBED HEREIN TO BORROWER IS SUFFICIENT AND INDEPENDENT CONSIDERATION, GIVEN INDIVIDUAL WEIGHT BY AGENT AND THE LENDERS FOR THIS WAIVER. EACH BORROWER UNDERSTANDS THAT AGENT AND THE LENDERS WOULD NOT OFFER SUCH AN INTEREST RATE TO THE BORROWER ABSENT THIS WAIVER.

(b) California Waiver; No Hearing Required. Each Borrower waives any right or defense it may have at Law or equity, including California Code of Civil Procedure Section 580a, to a fair market value hearing or action to determine a deficiency judgment after a foreclosure.

(c) Borrower Acknowledgment. California Civil Code Section 2955.5(a) provides as follows: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property." For purposes of the foregoing, (i) the term

"hazard insurance coverage" means insurance against losses caused by perils which are commonly covered in policies described as a "Homeowner's Policy," "General Property Form," "Guaranteed Replacement Cost Insurance," "Special Building Form," "Standard Fire," "Standard Fire with Extended Coverage," "Standard Fire with Special Form Endorsement," or comparable insurance coverage to protect the real property against loss or damage from fire and other perils covered within the scope of a standard extended coverage endorsement, and (ii) the term "Improvements" means buildings or structures attached to the real property. Each Borrower acknowledges having received this disclosure prior to execution of the Financing Documents to be delivered by Borrower in connection with the Credit Facilities.

13. GENERAL PROVISIONS

13.1 Successors and Assigns.

(a) This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Agent's prior written consent (which may be granted or withheld in Agent's discretion).Any Lender may at any time assign to one (1) or more Eligible Assignees all or any portion of such Lender's Applicable Commitment and/or Credit Extensions, together with all related obligations of such Lender hereunder. Borrower and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned until Agent shall have received and accepted an effective assignment agreement in form and substance acceptable to Agent, executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee as Agent reasonably shall require. Notwithstanding anything set forth in this Agreement to the contrary, any 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 such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided, however,* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. If requested by Agent, Borrower agrees to (i) execute any documents reasonably required to effectuate and acknowledge each assignment of an Applicable Commitment or Credit Extension to an assignee hereunder, (ii) make Borrower's management available to meet with Agent and prospective participants and assignees of Applicable Commitments or Credit Extensions and (iii) assist Agent or the Lenders in the preparation of information relating to the financial affairs of Borrower as any prospective participant or assignee of an Applicable Commitment or Credit Extension reasonably may request.

(b) From and after the date on which the conditions described above have been met, (i) such Eligible Assignee shall be deemed automatically to have become a party hereto and, to the extent of the interests assigned to such Eligible Assignee pursuant to such assignment agreement, shall have the rights and obligations of a Lender hereunder, and (ii) the assigning Lender, to the extent that rights and obligations hereunder have been assigned by it pursuant to such assignment agreement, shall be released from its rights and obligations hereunder (other than those that survive termination). Upon the request of the Eligible Assignee (and, as applicable, the assigning Lender) pursuant to an effective assignment agreement, each Borrower shall execute and deliver to Agent for delivery to the Eligible Assignee (and, as applicable, the assigning Lender) secured notes in the aggregate principal amount of the Eligible Assignee's Credit Extensions or Applicable Commitments (and, as applicable, secured promissory notes in the principal amount of that portion of the principal amount of the Credit Extensions or Applicable Commitments retained by the assigning Lender).

(c) Agent, acting solely for this purpose as an agent of Borrower, shall maintain at its offices located in Bethesda, Maryland a copy of each assignment agreement delivered to it and a Register for the recordation of the names and addresses of each Lender, and the commitments of, and principal amount (and stated interest) of the Credit Extensions owing to, such Lender pursuant to the terms hereof (the "Register"). The entries in such Register shall be conclusive, absent manifest error, and Borrower, Agent and the Lenders may treat each Person whose name is recorded therein pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Such Register shall be available for inspection by Borrower and any Lender, at any reasonable time upon reasonable prior notice to Agent. Each Lender that sells a participation shall, acting solely for this purpose as an agent of Borrower maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the

Obligations (each, a "**Participant Register**"). The entries in the Participant Registers shall be conclusive, absent manifest error. Each Participant Register shall be available for inspection by Borrower and Agent at any reasonable time upon reasonable prior notice to the applicable Lender; *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Financing Document) to any Person (including Borrower) except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a participant register.

(d) Notwithstanding anything to the contrary contained in this Agreement, the Credit Extensions (including any Secured Promissory Notes evidencing such Credit Extensions) are intended to be registered obligations, the right, title and interest of the Lenders and their assignees in and to such Credit Extensions shall be transferable only upon notation of such transfer in the Register (or an applicable Participant Register) and no assignment thereof shall be effective until recorded therein. It is intended that this Agreement be construed so that the Credit Extensions are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the IRC and Section 5f.103-1(c) of the United States Treasury Regulations.

13.2 Indemnification.

(a) Borrower hereby agrees to promptly pay (i) (A) all reasonable and documented out-of-pocket costs and expenses of Agent (including, without limitation, the costs, expenses and reasonable fees of counsel to, and independent appraisers and consultants retained by, Agent) in connection with the examination, review, due diligence investigation, documentation, negotiation, closing and syndication of the transactions contemplated by the Financing Documents, and in connection with the continued administration of the Financing Documents including (1) any amendments, modifications, consents and waivers to and/or under any and all Financing Documents, and (2) any periodic public record searches conducted by or at the request of Agent (including, without limitation, title investigations, UCC searches, fixture filing searches, judgment, pending litigation and tax lien searches and searches of applicable corporate, limited liability, partnership and related records concerning the continued existence, organization and good standing of certain Persons), and (B) reasonable and documented out-of-pocket costs and expenses of Agent in connection with the performance by Agent of its rights and remedies under the Financing Documents; (ii) without limitation of the preceding clause (i), all reasonable and documented out-of-pocket costs and expenses of Agent in connection with the creation, perfection and maintenance of Liens pursuant to the Financing Documents; (iii) without limitation of the preceding clause (i), all costs and expenses of Agent in connection with (A) protecting, storing, insuring, handling, maintaining or selling any Collateral, (B) any litigation, dispute, suit or proceeding relating to any Financing Document, and (C) any workout, collection, bankruptcy, insolvency and other enforcement proceedings under any and all of the Financing Documents; (iv) without limitation of the preceding clause (i), all reasonable and documented out-of-pocket costs and expenses of Agent in connection with Agent's reservation of funds in anticipation of the funding of the Credit Extensions to be made hereunder; and (v) all costs and expenses incurred by Agent or the Lenders in connection with any litigation, dispute, suit or proceeding relating to any Financing Document and in connection with any workout, collection, bankruptcy, insolvency and other enforcement proceedings under any and all Financing Documents, whether or not Agent or the Lenders are a party thereto.

(b) Borrower hereby agrees to indemnify, pay and hold harmless Agent and the Lenders and the officers, directors, employees, trustees, agents, investment advisors, collateral managers, servicers, and counsel of Agent and the Lenders (collectively called the "**Indemnitees**") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the disbursements and reasonable fees of counsel for such Indemnitee) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnitee shall be designated a party thereto and including any such proceeding initiated by or on behalf of a Credit Party, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Agent or the Lenders) asserting any right to payment for the transactions contemplated hereby, which may be imposed on, incurred by or asserted against such Indemnitee as a result of or in connection

with the transactions contemplated hereby and the use or intended use of the proceeds of the Credit Facilities, except that Borrower shall have no obligation hereunder to an Indemnitee with respect to any liability resulting from the gross negligence or willful misconduct of such Indemnitee, as determined by a final non-appealable judgment of a court of competent jurisdiction. To the extent that the undertaking set forth in the immediately preceding sentence may be unenforceable, Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable Law to the payment and satisfaction of all such Indemnified Liabilities incurred by the Indemnitees or any of them. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Financing Documents or the transactions contemplated hereby or thereby. This Section 13.2 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Notwithstanding any contrary provision in this Agreement, the obligations of Borrower under this Section 13.2 shall survive the payment in full of the Obligations and the termination of this Agreement. NO INDEMNITEE SHALL BE RESPONSIBLE OR LIABLE TO ANY CREDIT PARTY OR TO ANY OTHER PARTY TO ANY FINANCING DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

(d) Borrower for itself and all endorsers, guarantors and sureties and their heirs, legal representatives, successors and assigns, hereby further specifically waives any rights that it may have under Section 1542 of the California Civil Code (to the extent applicable), which provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR," and further waives any similar rights under applicable Laws.

(e) Without limiting the generality of Section 13.15 or any other provision hereof, each Borrower, to the maximum extent permitted by law, expressly waives:

(i) all rights and defenses arising out of an election of remedies by Agent, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for the Obligations, has destroyed such Borrower's rights of subrogation and reimbursement against any Borrower by the operation of Section 580d of the California Code of Civil Procedure or otherwise; and

(ii) all rights and defenses that such Borrower may have relating to Obligations that are or become secured by real property. This means, among other things: (A) Agent may **collect** from such Borrower without first foreclosing on any real property or personal property collateral pledged by any other Borrower and (B) if Agent forecloses on any real property pledged by any Borrower or any Guarantor: (1) the amount of the Obligations may be reduced only by the price for which such collateral is sold at the foreclosure sale, even if such collateral is worth more than the sale price; and (2) Agent may collect from such Borrower even if Agent, by foreclosing on any such real property, has destroyed any right such Borrower may have to collect from the other Borrower. This is an unconditional and irrevocable waiver of any rights and defenses such Borrower may have relating to Obligations that are secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure or any comparable statutes. As provided in Section 12.1 hereof, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Maryland. The foregoing provisions are included solely out of an

abundance of caution and shall not be construed to mean that any of the above referenced provisions of California law are in any way applicable to this Agreement or the Obligations.

13.3 Time of Essence. Time is of the essence for the payment and performance of the Obligations in this Agreement.

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

13.5 Correction of Financing Documents. Agent and the Lenders may correct patent errors and fill in any blanks in this Agreement and the other Financing Documents consistent with the agreement of the parties.

13.6 Integration. This Agreement and the other Financing Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Financing Documents merge into this Agreement and the Financing Documents.

13.7 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

13.8 Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations for which no claim has yet been made and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Borrower in Section 13.2 to indemnify each Lender and Agent shall survive until the statute of limitations with respect to such claim or cause of action shall have run. All powers of attorney and appointments of Agent or any Lender as Borrower's attorney in fact hereunder, and all of Agent's and Lenders' rights and powers in respect thereof, are coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations for which no claim has yet been made and any other obligations which, by their terms, are to survive the termination of this Agreement) have been fully repaid and performed and Agent's and the Lenders' obligation to provide Credit Extensions terminates.

13.9 Confidentiality. In handling any confidential information of Borrower, each of the Lenders and Agent shall use all reasonable efforts to maintain, in accordance with its customary practices, the confidentiality of information obtained by it pursuant to any Financing Document and designated in writing by any Credit Party as confidential, but disclosure of information may be made: (a) to the Lenders' and Agent's Subsidiaries or Affiliates; (b) to prospective transferees or purchasers of any interest in the Credit Extensions, provided, however, that any such Persons are bound by obligations of confidentiality substantially the same or more stringent than those set forth in this Section 13.9; (c) as required by Law, regulation, subpoena, order or other legal, administrative, governmental or regulatory request; (d) to regulators or as otherwise required in connection with an examination, audit or similar investigation by any Governmental Authority, or to any nationally recognized rating agency; (e) as Agent or any Lender considers appropriate in exercising remedies under the Financing Documents; (f) to financing sources that are advised of the confidential nature of such information and are instructed to keep such information confidential; (g) to third party service providers of the Lenders and/or Agent so long as such service providers are bound to such Lender or Agent by obligations of confidentiality; (h) to the extent necessary or customary for inclusion in league table measurements; and (i) in connection with any litigation or other proceeding to which such Lender or Agent or any of their Affiliates is a party or bound, or to the extent necessary to respond to public statements or disclosures by Credit Parties or their Affiliates referring to a Lender or Agent or any of their Affiliates. Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Agent's possession when disclosed to the Lenders and/or Agent, or becomes part of the public domain after disclosure to the Lenders and/or Agent; or (ii) is disclosed to the Lenders and/or Agent by a third party, if the Lenders and/or Agent does not know that the third party is prohibited from disclosing the information. Agent and/or the Lenders may use confidential information for the development of client databases, reporting purposes,

and market analysis, so long as Agent and/or the Lenders, as applicable, do not disclose Borrower's identity or the identity of any Person associated with Borrower unless otherwise permitted by this Agreement. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 13.9 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 13.9.

13.10 Right of Set-off. Borrower hereby grants to Agent and to each Lender, a lien, security interest and right of set-off as security for all Obligations to Agent and each Lender hereunder, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Agent or the Lenders or any entity under the control of Agent or the Lenders (including an Agent or Lender Affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Agent or the Lenders may set-off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SET-OFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

13.11 Publicity. Borrower will not directly or indirectly publish, disclose or otherwise use in any public disclosure, advertising material, promotional material, press release or interview, any reference to the name, logo or any trademark of Agent or any Lender or any of their Affiliates or any reference to this Agreement or the financing evidenced hereby, in any case except as required by applicable Law, subpoena or judicial or similar order, in which case Borrower shall endeavor to give Agent prior written notice of such publication or other disclosure. Each Lender and Borrower hereby authorize each Lender to publish the name of such Lender and Borrower, the existence of the financing arrangements referenced under this Agreement, the primary purpose and/or structure of those arrangements, the amount of credit extended under each facility, the title and role of each party to this Agreement, and the total amount of the financing evidenced hereby in any "tombstone", comparable advertisement or press release which such Lender elects to submit for publication. In addition, each Lender and Borrower agree that each Lender may provide lending industry trade organizations with information necessary and customary for inclusion in league table measurements after the Closing Date. With respect to any of the foregoing, such authorization shall be subject to such Lender providing Borrower and the other Lenders with an opportunity to review and confer with such Lender regarding, and approve, the contents of any such tombstone, advertisement or information, as applicable, prior to its initial submission for publication, but subsequent publications of the same tombstone, advertisement or information shall not require Borrower's approval.

13.12 No Strict Construction**.** The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

13.13 Approvals. Unless expressly provided herein to the contrary, any approval, consent, waiver or satisfaction of Agent or the Lenders with respect to any matter that is the subject of this Agreement or the other Financing Documents may be granted or withheld by Agent and the Lenders in their sole and absolute discretion and credit judgment.

13.14 Amendments; Required Lenders; Inter-Lender Matters.

(a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Financing Document, no approval or consent thereunder, or any consent to any departure by Borrower therefrom (in each case, other than amendments, waivers, approvals or consents deemed ministerial by Agent), shall in any event be effective unless the same shall be in writing and signed by Borrower, Agent and the

Required Lenders. Except as set forth in clause (b) below, all such amendments, modifications, terminations or waivers requiring the consent of the "Lenders" shall require the written consent of Required Lenders.

(b) No amendment, modification, termination or waiver of any provision of this Agreement or any other Financing Document shall, unless in writing and signed by Agent and by each Lender directly affected thereby: (i) increase or decrease the Applicable Commitment of any Lender (which shall be deemed to affect all Lenders), (ii) reduce the principal of or rate of interest on any Obligation or the amount of any fees payable hereunder, (iii) postpone the date fixed for or waive any payment of principal of or interest on any Credit Extension, or any fees or reimbursement obligation hereunder, (iv) release all or substantially all of the Collateral, or consent to a transfer of any of the Intellectual Property, in each case, except as otherwise expressly permitted in the Financing Documents (which shall be deemed to affect all Lenders), (v) subordinate the lien granted in favor of Agent securing the Obligations (which shall be deemed to affect all Lenders, except as otherwise provided below), (vi) release a Credit Party from, or consent to a Credit Party's assignment or delegation of, such Credit Party's obligations hereunder and under the other Financing Documents or any Guarantor from its guaranty of the Obligations (which shall be deemed to affect all Lenders) or (vii) amend, modify, terminate or waive this Section 13.14(b) or the definition of "Required Lenders" or "Pro Rata Share" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the consent of each Lender. For purposes of the foregoing, no Lender shall be deemed affected by (i) waiver of the imposition of the Default Rate or imposition of the Default Rate to only a portion of the Obligations, (ii) waiver of the accrual of late charges, (iii) waiver of any fee solely payable to Agent under the Financing Documents, (iv) subordination of a lien granted in favor of Agent; *provided* that such subordination is limited to equipment being financed by a third party providing Permitted Indebtedness. Notwithstanding any provision in this Section 13.14 to the contrary, no amendment, modification, termination or waiver affecting or modifying the rights or obligations of Agent hereunder shall be effective unless signed by Agent and the Required Lenders

(c) Agent shall not grant its written consent to any deviation or departure by Borrower or any Credit Party from the provisions of Article 7 without the prior written consent of the Required Lenders. Required Lenders shall have the right to direct Agent to take any action described in Section 10.2(b). Upon the occurrence of any Event of Default, Agent shall have the right to exercise any and all remedies referenced in Section 10.2 without the written consent of Required Lenders following the occurrence of an "**Exigent Circumstance**" (as defined below). All matters requiring the satisfaction or acceptance of Agent in the definition of Subordinated Debt shall further require the satisfaction and acceptance of each Required Lender. Any reference in this Agreement to an allocation between or sharing by the Lenders of any right, interest or obligation "ratably," "proportionally" or in similar terms shall refer to Pro Rata Share unless expressly provided otherwise. As used in this Section, "Exigent Circumstance" means any event or circumstance that, in the reasonable judgment of Agent, imminently threatens the ability of Agent to realize upon all or any material portion of the Collateral, such as, without limitation, fraudulent removal, concealment, or abscondment thereof, destruction or material waste thereof, or failure of Borrower after reasonable demand to maintain or reinstate adequate casualty insurance coverage, or which, in the judgment of Agent, could result in a material diminution in value of the Collateral.

13.15 Borrower Liability. If there is more than one (1) entity comprising Borrower, then (a) any Borrower may, acting singly, request Credit Extensions hereunder, (b) each Borrower hereby appoints the other as agent for the other for all purposes hereunder, including with respect to requesting Credit Extensions hereunder, (c) each Borrower shall be jointly and severally obligated to pay and perform all obligations under the Financing Documents, including, but not limited to, the obligation to repay all Credit Extensions made hereunder and all other Obligations, regardless of which Borrower actually receives said Credit Extensions, as if each Borrower directly received all Credit Extensions, and (d) each Borrower waives (1) any suretyship defenses available to it under the Code or any other applicable law, and (2) any right to require the Lenders or Agent to: (A) proceed against any Borrower or any other person; (B) proceed against or exhaust any security; or (C) pursue any other remedy. The Lenders or Agent may exercise or not exercise any right or remedy they have against any Credit Party or any security (including the right to foreclose by judicial or non-judicial sale) in accordance with the terms of the Financing Documents without affecting any other Credit Party's liability or any Lien against any other Credit Party's assets. Notwithstanding any other provision of this Agreement or other related document, until the indefeasible payment in cash in full of the Obligations (other than inchoate indemnity obligations for which no claim

has yet been made) and termination of the Applicable Commitments, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of the Lenders and Agent under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Credit Party, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by any Credit Party with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by a Credit Party with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section shall be null and void. If any payment is made to a Credit Party in contravention of this Section, such Credit Party shall hold such payment in trust for the Lenders and Agent and such payment shall be promptly delivered to Agent for application to the Obligations, whether matured or unmatured.

13.16 Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition or other proceeding be filed by or against any Credit Party for liquidation or reorganization, should any Credit Party become insolvent or make an assignment for the benefit of any creditor or creditors or should an interim receiver, receiver, receiver and manager or trustee be appointed for all or any significant part of any Credit Party's assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a fraudulent preference reviewable transaction or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

13.17 USA PATRIOT Act Notification. Agent (for itself and not on behalf of any Lender) and each Lender hereby notifies each Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record certain information and documentation that identifies Borrower, which information includes the name and address of Borrower and such other information that will allow Agent or such Lender, as applicable, to identify Borrower in accordance with the USA PATRIOT Act.

14. AGENT

14.1 Appointment and Authorization of Agent. Each Lender hereby irrevocably appoints, designates and authorizes Agent to take such action on its behalf under the provisions of this Agreement and each other Financing Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Financing Document, together with such powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of Agent and the Lenders and none of Credit Parties nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. The duties of Agent shall be mechanical and administrative in nature. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Financing Document, Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Financing Document or otherwise exist against Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Financing Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. Without limiting the generality of the foregoing, Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders), and is hereby authorized, to (a) act as collateral agent for Agent and each Lender for purposes of the perfection of all liens created by the Financing Documents and all other purposes stated therein, (b) manage, supervise and otherwise deal with the Collateral, (c) take such other action as is necessary or desirable to maintain the perfection and priority of the liens created or purported to be created by the Financing Documents, (d) except as may be otherwise specified in any Financing Document, exercise all remedies given to Agent and the other Lenders with respect to the Collateral, whether under the Financing Documents, applicable law or otherwise and (e) execute any amendment, consent or waiver under the Financing Documents on behalf of any Lender that has consented in

writing to such amendment, consent or waiver; *provided*, *however*, that Agent hereby appoints, authorizes and directs each Lender to act as collateral sub-agent for Agent and the Lenders for purposes of the perfection of all liens with respect to the Collateral, including any deposit account maintained by a Credit Party with, and cash and Cash Equivalents held by, such Lender, and may further authorize and direct the Lenders to take further actions as collateral sub-agents for purposes of enforcing such liens or otherwise to transfer the Collateral subject thereto to Agent, and each Lender hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed.

14.2 Successor Agent.

(a) Agent may at any time assign its rights, powers, privileges and duties hereunder to (i) another Lender or an Affiliate of Agent or any Lender or any Approved Fund, or (ii) any Person to whom Agent, in its capacity as a Lender, has assigned (or will assign, in conjunction with such assignment of agency rights hereunder) fifty percent (50%) or more of the Credit Extensions or Applicable Commitments then held by Agent (in its capacity as a Lender), in each case without the consent of the Lenders or Borrower. Following any such assignment, Agent shall give notice to the Lenders and Borrower. An assignment by Agent pursuant to this subsection (a) shall not be deemed a resignation by Agent for purposes of subsection (b) below.

(b) Without limiting the rights of Agent to designate an assignee pursuant to subsection (a) above, Agent may at any time give notice of its resignation to the Lenders and Borrower. Upon receipt of any such notice of resignation, Required Lenders shall have the right to appoint a successor Agent. If no such successor shall have been so appointed by Required Lenders and shall have accepted such appointment within ten (10) Business Days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent; *provided, however,* that if Agent shall notify Borrower and the Lenders that no Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice from Agent that no Person has accepted such appointment and, from and following delivery of such notice, (i) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Financing Documents, and (ii) all payments, communications and determinations provided to be made by, to or through Agent shall instead be made by or to each Lender directly, until such time as Required Lenders appoint a successor Agent as provided for above in this subsection (b).

(c) Upon (i) an assignment permitted by subsection (a) above, or (ii) the acceptance of a successor's appointment as Agent pursuant to subsection (b) above, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder and under the other Financing Documents (if not already discharged therefrom as provided above in this subsection (c)). The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Financing Documents, the provisions of this Article shall continue in effect for the benefit of such retiring Agent and its sub-agents in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting or was continuing to act as Agent.

14.3 Delegation of Duties. Agent may execute any of its duties under this Agreement or any other Financing Document by or through its, or its Affiliates', agents, employees or attorneys-in-fact and shall be entitled to obtain and rely upon the advice of counsel and other consultants or experts concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct. Any such Person to whom Agent delegates a duty shall benefit from this Article 14 to the extent provided by Agent.

14.4 Liability of Agent. Except as otherwise provided herein, no "Agent-Related Person" (as defined below) shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Financing Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Lender or participant for any recital, statement, representation or warranty made by any Credit Party or any officer thereof, contained herein or in any other Financing Document, or in any certificate, report,

statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Financing Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Financing Document, or for any failure of any Credit Party or any other party to any Financing Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Financing Document, or to inspect the Collateral, other properties or books or records of any Credit Party or any Affiliate thereof. The term "**Agent-Related Person**" means Agent, together with its Affiliates, and the officers, directors, employees, agents, advisors, auditors and attorneys-in-fact of such Persons; *provided*, *however*, that no Agent-Related Person shall be an Affiliate of Borrower.

14.5 Reliance by Agent. Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrower), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under any Financing Document (a) if such action would, in the opinion of Agent, be contrary to law or any Financing Document, (b) if such action would, in the opinion of Agent, expose Agent to any potential liability under any law, statute or regulation or (c) if Agent shall not first have received such advice or concurrence of all Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Financing Document in accordance with a request or consent of all Lenders (or Required Lenders where authorized herein) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

14.6 Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default and/or Event of Default, unless Agent shall have received written notice from a Lender or Borrower, describing such default or Event of Default. Agent will notify the Lenders of its receipt of any such notice. While an Event of Default has occurred and is continuing, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default as Agent shall deem advisable or in the best interests of the Lenders, including without limitation, satisfaction of other security interests, liens or encumbrances on the Collateral not permitted under the Financing Documents, payment of taxes on behalf of Borrower or any other Credit Party, payments to landlords, warehouseman, bailees and other Persons in possession of the Collateral and other actions to protect and safeguard the Collateral, and actions with respect to insurance claims for casualty events affecting a Credit Party and/or the Collateral.

14.7 Credit Decision; Disclosure of Information by Agent. Each Lender acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Credit Parties, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Financing Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by Agent herein, 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 Credit Party which may come into the possession of any Agent-Related Person.

14.8 Indemnification of Agent. Whether or not the transactions contemplated hereby are consummated, each Lender shall, severally and pro rata based on its respective Pro Rata Share, indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of Borrower and without limiting the obligation of Borrower to do so), and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities (which shall not include legal expenses of Agent incurred in connection with the closing of the transactions contemplated by this Agreement) incurred by it; *provided, however*, that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities to the extent determined in a judgment by a court of competent jurisdiction to have resulted from such Agent-Related Person's own gross negligence or willful misconduct; *provided, however*, that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Lender shall, severally and pro rata based on its respective Pro Rata Share, reimburse Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Protective Advances incurred after the closing of the transactions contemplated by this Agreement) incurred by Agent (in its capacity as Agent, and not as a Lender) in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Financing Document, or any document contemplated by or referred to herein, to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrower. The undertaking in this Section shall survive the payment in full of the Obligations, the termination of this Agreement and the resignation of Agent. The term "Indemnified Liabilities" means those liabilities described in Section 13.2(a) and Section 13.2(b).

14.9 Agent in its Individual Capacity. With respect to its Credit Extensions, MidCap shall have the same rights and powers under this Agreement as any other Lender and may exercise such rights and powers as though it were not Agent, and the terms "Lender" and "Lenders" include MidCap in its individual capacity. MidCap and its Affiliates may lend money to, invest in, and generally engage in any kind of business with, any Credit Party and any of their Affiliates and any person who may do business with or own securities of any Credit Party or any of their Affiliates, all as if MidCap were not Agent and without any duty to account therefor to Lenders. MidCap and its Affiliates may accept fees and other consideration from a Credit Party for services in connection with this Agreement or otherwise without having to account for the same to the Lenders. Each Lender acknowledges the potential conflict of interest between MidCap as a Lender holding disproportionate interests in the Credit Extensions and MidCap as Agent, and expressly consents to, and waives, any claim based upon, such conflict of interest.

14.10 Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, Agent (irrespective of whether the principal of any Credit Extension, shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on such Credit Party) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Credit Extensions and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and Agent and their respective agents and counsel and all other amounts due the Lenders and Agent allowed in such judicial proceeding); and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Agent and, in the event that Agent shall consent to the making of such payments directly to the Lenders, to pay to Agent any amount due for the

reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, including Protective Advances. To the extent that Agent fails timely to do so, each Lender may file a claim relating to such Lender's claim.

14.11 Collateral and Guaranty Matters. The Lenders irrevocably authorize Agent, at its option and in its discretion, to release (a) any Credit Party and any Lien on any Collateral granted to or held by Agent under any Financing Document upon the date that all Obligations (other than inchoate indemnity obligations for which no claim has yet been made and any other obligations which, by their terms, are to survive the termination of this Agreement) due hereunder have been fully and indefeasibly paid in full and no Applicable Commitments or other obligations of any Lender to provide funds to Borrower under this Agreement remain outstanding, and (b) any Lien on any Collateral that is transferred or to be transferred as part of or in connection with any transfer permitted hereunder or under any other Financing Document. Upon request by Agent at any time, all Lenders will confirm in writing Agent's authority to release its interest in particular types or items of Collateral pursuant to this Section 14.11.

14.12 Advances; Payments; Non-Funding Lenders.

(a) Advances; Payments. If Agent receives any payment for the account of the Lenders on or prior to 11:00 a.m. (New York time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on such Business Day. If Agent receives any payment for the account of the Lenders after 11:00 a.m. (New York time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on the next Business Day. To the extent that any Lender has failed to fund any Credit Extension (a "**Non-Funding Lender**"), Agent shall be entitled to set-off the funding short-fall against that Non-Funding Lender's Pro Rata Share of all payments received from Borrower.

(b) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from a Credit Party and such related payment is not received by Agent, then Agent will be entitled to recover such amount (including interest accruing on such amount at the Federal Funds Rate for the first Business Day and thereafter, at the rate otherwise applicable to such Obligation) from such Lender on demand without set-off, counterclaim or deduction of any kind.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement must be returned to a Credit Party or paid to any other person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Financing Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to a Credit Party or such other person, without set-off, counterclaim or deduction of any kind.

14.13 Miscellaneous.

(a) Neither Agent nor any Lender shall be responsible for the failure of any Non-Funding Lender to make a Credit Extension or make any other advance required hereunder. The failure of any Non-Funding Lender to make any Credit Extension or any payment required by it hereunder shall not relieve any other Lender (each such other Lender, an "**Other Lender**") of its obligations to make the Credit Extension or payment required by it, but neither any Other Lender nor Agent shall be responsible for the failure of any Non-Funding Lender to make a Credit Extension or make any other payment required hereunder. Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Financing Document or constitute a "Lender" (or be included in the calculation of "Required Lender" hereunder) for any voting or consent rights under or with respect to any Financing Document. At Borrower's request, Agent or a person reasonably acceptable to Agent shall have the right with Agent's consent and in Agent's sole discretion (but shall have no obligation) to purchase from any Non-Funding Lender, and each Non-Funding Lender agrees that it shall, at Agent's request, sell and assign to Agent or such person, all of the Applicable

Commitments and all of the outstanding Credit Extensions of that Non-Funding Lender for an amount equal to the principal balance of the Credit Extensions held by such Non-Funding Lender and all accrued interest and fees with respect thereto through the date of sale, such purchase and sale to be consummated pursuant to an executed assignment agreement reasonably acceptable to Agent.

(b) Each Lender shall promptly remit to the other Lenders such sums as may be necessary to ensure the ratable repayment of each Lender's portion of any Credit Extension and the ratable distribution of interest, fees and reimbursements paid or made by any Credit Party. Notwithstanding the foregoing, if this Agreement requires payments of principal and interest to be made directly to the Lenders, a Lender receiving a scheduled payment shall not be responsible for determining whether the other Lenders also received their scheduled payment on such date; *provided, however*, if it is determined that a Lender received more than its ratable share of scheduled payments made on any date or dates, then such Lender shall remit to Agent (for Agent to redistribute to itself and the Lenders in a manner to ensure the payment to Agent of any sums due Agent hereunder and the ratable repayment of each Lender's portion of any Credit Extension and the ratable distribution of interest, fees and reimbursements) such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by Agent. If any payment or distribution of any kind or character, whether in cash, properties or securities and whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise, shall be received by a Lender in excess of its ratable share, then (i) the portion of such payment or distribution in excess of such Lender's ratable share shall be received by such Lender in trust for application to the payments of amounts due on the other Lender's claims, or, in the case of Collateral, shall hold such Collateral for itself and as agent and bailee for Agent and other Lenders and (ii) such Lender shall promptly advise Agent of the receipt of such payment, and, within five (5) Business Days of such receipt and, in the case of payments and distributions, such Lender shall purchase (for cash at face value) from the other Lenders (through Agent), without recourse, such participations in the Credit Extension made by the other Lenders as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them in accordance with the respective Pro Rata Shares of the Lenders; *provided*, *however*, that if all or any portion of such excess payment is thereafter recovered by or on behalf of a Credit Party from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest; *provided*, *further*, that the provisions of this Section shall not be construed to apply to (x) any payment made by a Credit Party pursuant to and in accordance with the express terms of this Agreement or the other Financing Documents, or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Applicable Commitment pursuant to Section 13.1. Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section may exercise all of its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of Borrower in the amount of such participation. No documentation other than notices and the like shall be required to implement the terms of this Section. Agent shall keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased pursuant to this Section and shall in each case notify the Lenders following any such purchases.

15. DEFINITIONS

In addition to any terms defined elsewhere in this Agreement, or in any schedule or exhibit attached hereto, as used in this Agreement, the following terms have the following meanings:

"**Access Agreement**" means a landlord consent, bailee letter or warehouseman's letter, in form and substance reasonably satisfactory to Agent, in favor of Agent executed by such landlord, bailee or warehouseman, as applicable, for any third party location.

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

"**Account Debtor**" means any "account debtor", as defined in the Code, with such additions to such term as may hereafter be made.

"**Acquisition**" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business, line of business

or division or other unit of operation of a Person, (b) the acquisition of fifty percent (50%) or more of the equity interests of any Person, whether or not involving a merger or consolidation with such other Person, or otherwise causing any Person to become a Subsidiary of a Credit Party, (c) any merger or consolidation or any other combination with another Person or (d) the acquisition (including through licensing) of any product, product line or Intellectual Property of or from any other Person.

"**Affiliate**" means, with respect to any Person, a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person (whether through the ownership of voting securities, by contract or otherwise), and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agent**" means, MidCap, not in its individual capacity, but solely in its capacity as agent on behalf of and for the benefit of the Lenders, together with its successors and assigns.

"**Agreement**" has the meaning given it in the preamble of this Agreement.

"**Anti-Terrorism Laws**" means any Laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the Laws comprising or implementing the Bank Secrecy Act, and the Laws administered by OFAC.

"**Applicable Commitment**" has the meaning given it in Section 2.2

"**Applicable Floor**" means for each Credit Facility the per annum rate of interest specified on the Credit Facility Schedule.

"**Applicable Index Rate**" means, from and after the SOFR Implementation Date, for any Applicable Interest Period, the rate per annum determined by Agent equal to the Applicable SOFR Rate; *provided*, *however*, that in the event that any change in market conditions or any law, regulation, treaty, or directive, or any change therein or in the interpretation of application thereof, shall at any time after the date hereof, in the reasonable opinion of Agent or any Lender, make it unlawful or impractical for Agent or such Lender to fund or maintain Obligations bearing interest based upon the Applicable SOFR Rate, Agent or such Lender shall give notice of such changed circumstances to Agent and Borrower and the Applicable Index Rate for Obligations outstanding or thereafter extended or made by Agent or such Lender shall thereafter be the Applicable Prime Rate until Agent or such Lender determines (as to the portion of the Credit Extensions or Obligations owed to it) that it would no longer be unlawful or impractical to fund or maintain such Obligations or Credit Extensions at the Applicable SOFR Rate. In the event that Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), as of any Applicable Interest Rate Determination Date, that adequate and fair means do not exist for ascertaining the interest rate applicable to any Credit Facility on the basis provided for herein, then Agent may select a comparable replacement index and corresponding margin.

"**Applicable Interest Period**" for each Credit Facility has the meaning specified for that Credit Facility in the Credit Facility Schedule; *provided*, *however*, that, at any time that the Applicable Prime Rate is the Applicable Index Rate, Applicable Interest Period shall mean the period commencing as of the most recent Applicable Interest Rate Determination Date and continuing until the next Applicable Interest Rate Determination Date or such earlier date as the Applicable Prime Rate shall no longer be the Applicable Index Rate; and *provided*, *further*, that, at any time Term SOFR is adjusted as set forth in this Agreement, or re-implemented following invocation of the Applicable Prime Rate as permitted herein, the Applicable Interest Period shall mean the period commencing as of such adjustment or re-implementation and continuing until the next Applicable Interest Rate Determination Date, if any.

"Applicable Interest Rate" means a per annum rate of interest equal to the Applicable Index Rate plus the Applicable Margin.

"**Applicable Interest Rate Determination Date**" means the second (2nd) Business Day prior to the first (1st) day of the related Applicable Interest Period; *provided*, *however*, that, at any time that the Applicable Prime Rate is the Applicable Index Rate, Applicable Interest Rate Determination Date means the date of any change in the Base

Rate Index; and *provided*, *further*, that, at any time Term SOFR is adjusted as set forth in this Agreement, the Applicable Interest Rate Determination Date shall mean the date of such adjustment or the second (2nd) Business Day prior to the first (1st) day of the related Applicable Interest Period, as elected by Agent.

"**Applicable Margin**" for each Credit Facility has the meaning specified for that Credit Facility in the Credit Facility Schedule.

"**Applicable Prepayment Fee**", for each Credit Facility, has the meaning given it in the Credit Facility Schedule for such Credit Facility.

"**Applicable Prime Rate**" means, for any Applicable Interest Period, the rate per annum, determined by Agent (rounded upwards, if necessary, to the next 1/100th%), equal to the greater of (a) the Applicable Floor and (b) the Base Rate Index.

"**Applicable SOFR Rate**" means, with respect to each day during which interest accrues on a Credit Extension, the rate per annum (expressed as a percentage) equal to (a) Term SOFR for the Applicable Interest Period for such day; or (b) if the then-current Benchmark has been replaced with a Benchmark Replacement pursuant to Section 2.7 such Benchmark Replacement for such day. Notwithstanding the foregoing, the Applicable SOFR Rate shall not at any time be less the Applicable Floor.

"**Approved Fund**" means any (a) investment company, fund, trust, securitization vehicle or conduit that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the Ordinary Course of Business, or (b) any Person (other than a natural person) which temporarily warehouses loans for any Lender or any entity described in the preceding clause (a) and that, with respect to each of the preceding clauses (a) and (b), is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) a Person (other than a natural person) or an Affiliate of a Person (other than a natural person) that administers or manages a Lender.

"**Available Tenor**" means, as of any date of determination with respect to the then-current Benchmark, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Applicable Interest Period" or similar term pursuant to Section 2.7.

"**Base Rate Index**" means, for any Applicable Interest Period, the rate per annum, determined by Agent (rounded upwards, if necessary, to the next 1/100th%) as being the rate of interest announced, from time to time, within Wells Fargo Bank, N.A. ("**Wells Fargo**") at its principal office in San Francisco as its "prime rate," with the understanding that the "prime rate" is one of Wells Fargo's base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate; *provided*, *however*, that Agent may, upon prior written notice to any Borrower, choose a reasonably comparable index or source to use as the basis for the Base Rate Index.

"**Benchmark**" means, initially, Term SOFR; *provided* that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.7.

"**Benchmark Replacement**" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Agent giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (b)

the related Benchmark Replacement Adjustment; *provided* that, if such Benchmark Replacement as so determined would be less than the Applicable Floor, such Benchmark Replacement will be deemed to be the Applicable Floor for the purposes of this Agreement and the other Financing Documents.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Agent giving due consideration to any selection or recommendation by the Relevant Governmental Body, or any evolving or then-prevailing market convention at such time, for determining a spread adjustment, or method for calculating or determining such spread adjustment, for such type of replacement for U.S. dollar-denominated syndicated credit facilities at such time.

"**Benchmark Replacement Date**" means the earlier to occur of the following events with respect to the then-current Benchmark: (a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or (b) in the case of clause (c) of the definition of "Benchmark Transition Event", the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date. For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark: (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official or resolution authority with jurisdiction over the administrator for such Benchmark (or such component), or a court or an entity with similar insolvency or resolution authority, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or (c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative. For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Start Date**" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"**Benchmark Unavailability Period**" means the period (if any) (a) beginning at the time that a Benchmark Replacement Date pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Financing Document in accordance with Section 2.7 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Financing Document in accordance with Section 2.7.

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

"**Books**" means all books and records of a Person, including ledgers, federal and state tax returns, records regarding the Person's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrower**" mean the entity(ies) described in the first paragraph of this Agreement and each of their successors and permitted assigns. The term "each Borrower" shall refer to each Person comprising the Borrower if there is more than one (1) such Person, or the sole Borrower if there is only one (1) such Person. The term "any Borrower" shall refer to any Person comprising the Borrower if there is more than one (1) such Person, or the sole Borrower if there is only one (1) such Person.

"Borrower Unrestricted Cash" means unrestricted cash and Cash Equivalents of Borrower that (a) are subject to Agent's first priority perfected lien and held in the name of Borrower in a Deposit Account or Securities Account that is subject to a Control Agreement in favor of Agent at a bank or financial institution located in the United States, (b) is not subject to any Lien (other than a Lien in favor of Agent), and (c) are not funds for the payment of a drawn or committed but unpaid draft, ACH or EFT transaction.

"**Borrowing Resolutions**" means, with respect to any Person, those resolutions, in form and substance satisfactory to Agent, adopted by such Person's Board of Directors or other appropriate governing body and delivered by such Person to Agent approving the Financing Documents to which such Person is a party and the transactions contemplated thereby, as well as any other approvals as may be necessary or desired to approve the entering into the Financing Documents or the consummation of the transactions contemplated thereby or in connection therewith.

"**Business Day**" means any day except a Saturday, Sunday or other day on which either the New York Stock Exchange is closed, or on which commercial banks in Washington, DC and New York City are authorized by law to close; *provided*, *however*, that when used in the context of a SOFR Loan, the term "Business Day" shall also exclude any day that is not also a SOFR Business Day.

"**Cash Equivalents**" means any Investment in (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one (1) year from the date of acquisition by such Person, (b) Dollar-denominated time deposits and certificates of deposit with a duration of not more than one (1) year issued or accepted by any commercial bank having, or which is the principal banking subsidiary of a bank holding company organized under the laws of the United States, any State thereof or, the District of Columbia having capital, surplus and undivided profits aggregating in excess of $500,000,000, (c) repurchase obligations with a term of not more than ninety (90) days for underlying securities of the types described in subsection (a) above entered into with any bank meeting the qualifications specified in subsection (b) above, (d) commercial paper issued by any issuer rated at least A-1 by Standard & Poor's Corporation or at least P-1 by Moody's Investors Service, Inc., and in each case maturing not more than one (1) year after the date of acquisition by such Person, (e) money market or mutual fund which invests only in the foregoing types of Investments, has portfolio assets in excess of $500,000,000, complies with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act, and has the highest rating obtainable from either Standard & Poor's Corporation or Moody's Investors Service, Inc. or (f)

other Investments made pursuant to Borrower's investment policy and permitted pursuant to clause (c) of the definition of Permitted Investments.

"**Change in Control**" means an event or series of events by which: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of [***] ([***]%) or more of the combined voting power of all voting stock of Rigel or any other Borrower (as applicable) on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; (c) Borrower ceases to own and control, directly or indirectly, all of the economic and voting rights associated with the outstanding securities of each of its Subsidiaries (except as otherwise permitted by this Agreement), or (d) the occurrence of any "change in control", "fundamental change" or any term or provision of similar effect under any Subordinated Debt Document or Borrower's Operating Documents.

"**Closing Date**" has the meaning given it in the preamble of this Agreement.

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

"**Collateral**" means all property, now existing or hereafter acquired, mortgaged or pledged to, or purported to be subjected to a Lien in favor of, Agent, for the benefit of Agent and the Lenders, pursuant to this Agreement and the other Financing Documents (but excluding Excluded Property), including, without limitation, all of the property described in **Exhibit A** hereto.

"**Collateral Account**" means any Deposit Account, Securities Account or Commodity Account.

"**Commitment Commencement Date**" has the meaning given it in the Credit Facility Schedule.

"**Commitment Termination Date**" has the meaning given it in the Credit Facility Schedule.

"**Commodity Account**" means any "commodity account", as defined in the Code, with such additions to such term as may hereafter be made.

"**Competitor**" means, at any time of determination, any Person engaged in the same or substantially the same line of business as the Borrower and the other Credit Parties and such business accounts for all or substantially all of the revenue or net income of such Person at the time of determination.

"**Compliance Certificate**" means a certificate, duly executed by an authorized officer of Borrower, appropriately completed and substantially in the form of **Exhibit B**.

"**Conforming Changes**" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement (as defined in Section 2.7), any technical, administrative or operational changes (including (a) changes to the definition of "Applicable Interest Period", "Base Rate Index", "Business Day", "Reference Time" or other definitions, (b) the addition of concepts such as "interest period", (c) changes to timing and/or frequency of determining rates, making interest payments, giving borrowing requests, prepayment, conversion or continuation notices, or length of lookback periods, (d) the applicability of Section 2.6(h), and (e) other technical, administrative or operational matters) that Agent decides may be appropriate to reflect the adoption and implementation of Term SOFR or such Benchmark Replacement and to permit the administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent decides that adoption of any portion of such market practice is not administratively feasible or determines that no such market practice exists, in such other manner as Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Financing Documents).

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

"**Control Agreement**" means any control agreement, each of which shall be in form and substance satisfactory to Agent, entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Agent pursuant to which Agent obtains control (within the meaning of the Code) for the benefit of the Lenders over such Deposit Account, Securities Account or Commodity Account.

"**Credit Extension**" means an advance or disbursement of proceeds to or for the account of Borrower in respect of a Credit Facility.

"**Credit Extension Form**" means that certain form attached hereto as **Exhibit C**, as the same may be from time to time revised by Agent.

"**Credit Facility**" means a term loan credit facility specified on the Credit Facility Schedule.

"**Credit Party**" means any Borrower, any Guarantor under a guarantee of the Obligations or any part thereof, and any other Person (other than Agent, a Lender or a participant of a Lender), whether now existing or hereafter acquired or formed, that becomes obligated as a borrower, guarantor, surety, indemnitor, pledgor, assignor or other obligor under any Financing Document; and "**Credit Parties**" means all such Persons, collectively; *provided*, *however*, that in no event shall a Restricted Foreign Subsidiary be a "Credit Party" for purposes of this Agreement or the other Financing Documents.

"**DEA**" means the Drug Enforcement Administration of the United States of America, any comparable state or local Governmental Authority, any comparable Governmental Authority in any non-United States jurisdiction, and any successor agency of any of the foregoing.

"**Default**" means any fact, event or circumstance which with notice or passage of time or both, could constitute an Event of Default.

"**Default Rate**" has the meaning given it in Section 2.6(b).

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

"**Designated Funding Account**" is Borrower's Deposit Account, account number [***], maintained with [***] and subject to paragraph 5 of the Post-Closing Obligations Schedule over which Agent has been granted a Control Agreement.

"**Disqualified Stock**" means, with respect to any Person, any equity interest in such Person that, within less than [***] days after the Maturity Date, either by its terms (or by the terms of any security or other equity interests into which it is convertible or for which it is exchangeable) or upon the happening of any event or condition, (a) matures or is mandatorily redeemable (other than solely for Permitted Indebtedness or other equity interests in such Person or of Rigel that do not constitute Disqualified Stock and cash in lieu of fractional shares of such equity interests), pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof, in whole or in part (other than solely for Permitted Indebtedness or other equity interests in such Person or of Rigel that do not constitute Disqualified Stock and cash in lieu of fractional shares of such equity interests), (c) provides for the scheduled payments of dividends or distributions in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness (other than Permitted Indebtedness) or any other equity interests that would constitute Disqualified Stock.

"**Dollars**," "**dollars**" and "**$**" each means lawful money of the United States.

"**Draw Period**" means, for each Credit Facility, the period commencing on the Commitment Commencement Date and ending on the Commitment Termination Date.

"**Drug Application**" means a new drug application, an abbreviated drug application, or a product license application for any Product, as appropriate, as those terms are defined in the FDCA.

"**Eligible Assignee**" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by Agent; *provided, however*, that notwithstanding the foregoing, "Eligible Assignee" shall not include (x) any Credit Party or any Subsidiary of a Credit Party or (y) so long as no Event of Default has occurred and is continuing, (i) any vulture hedge fund (other than any Affiliate of a Lender or an Approved Fund) or (ii) a Person known by Agent to be a Competitor, in each case of (i) and (ii) as reasonably determined by Agent. Notwithstanding the foregoing, in connection with assignments by a Lender due to a forced divestiture at the request of any regulatory agency, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party becoming an assignee incident to such forced divestiture.

"**Environmental Law**" means each present and future law (statutory or common), ordinance, treaty, rule, regulation, order, policy, other legal requirement or determination of an arbitrator or of a Governmental Authority and/or Required Permits imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the workplace, the environment and natural resources, and including public notification requirements and environmental transfer of ownership, notification or approval statutes.

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

"**ERISA**" means the Employee Retirement Income Security Act of 1974, and all regulations promulgated thereunder.

"**ERISA Affiliate**" has the meaning given it in Section 5.6.

"**Event of Default**" has the meaning given it in Section 10.1.

"**Excluded Property**" means:

(a) any Registered Intellectual Property or Intellectual Property rights as to which, if and to the extent that, and only for so long as the grant of a security interest therein shall (1) constitute or result in a breach, termination or default under any such lease, license, contract, or agreement or render it unenforceable, or (2) be prohibited by any applicable law, (other than to the extent that any such breach, termination, default, or prohibition would be rendered ineffective pursuant to Sections 9-406 or 9-408 of the UCC of any relevant jurisdiction or any other applicable Law) ("**Excluded IP**"); *provided* that, notwithstanding the foregoing, (i) all such Registered Intellectual Property (or any portion thereof) or Intellectual Property rights (or any portion thereof) shall immediately cease to constitute Excluded Property in the event of the termination or elimination of any such prohibition (whether contractual or under applicable law) or the requirement for any consent contained in such contract, agreement, permit, lease or license or in any applicable Law, to the extent sufficient to permit any such Registered Intellectual Property (or any portion thereof) or Intellectual Property rights (or any portion thereof) to become Collateral hereunder, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such Registered Intellectual Property (or any portion thereof) or Intellectual Property rights (or any portion thereof) shall be automatically and simultaneously granted hereunder and shall be included as Collateral hereunder, and (ii) in no event shall IP Proceeds constitute Excluded IP or Excluded Property;

(b) any lease, license, contract, permit, letter of credit, purchase money arrangement, instrument or agreement to which any Credit Party is a party or any of its rights or interests thereunder if and to the extent that the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Credit Party therein or (ii) result in a breach or termination pursuant to the terms of, or default under, any such lease, license, contract, permit, letter of credit, purchase money arrangement, instrument or agreement;

(c) any governmental licenses or state or local franchises, charters and authorizations, to the extent that Agent may not validly possess a security interest in any such license, franchise, charter or authorization under applicable Law; and

(d) any "intent to use" trademark at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise, provided, that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use of an intent-to-use trademark application pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use application shall constitute Collateral;

provided that (x) any such limitation described in the foregoing clauses (b) and (c) on the security interests granted hereunder shall apply only to the extent that any such prohibition could not be rendered ineffective pursuant to the UCC or any other applicable Law (including Sections 9-406, 9-407 and 9-408 of the UCC) or principles of equity, (y) in the event of the termination or elimination of any such prohibition (contractual or otherwise) or the requirement for any consent contained in such contract, agreement, permit, lease or license or in any applicable Law, to the extent sufficient to permit any such item to become Collateral hereunder, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such contract, agreement, permit, lease, license, franchise, authorization or asset shall be automatically and simultaneously granted hereunder and shall be included as Collateral hereunder, and (z) all (i) proceeds of Excluded Property, (ii) all rights to payment of money due or to become due pursuant to or in respect of Excluded Property, and (iii) all rights to the proceeds from the sale of Excluded Property shall be and at all times remain subject to the security interests created by this Agreement (unless such proceeds would independently constitute Excluded Property).

"**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) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Credit Extension or Applicable Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Credit Extension or Applicable Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.6(h)(i) or 2.6(h)(iii), amounts with respect to such Taxes were payable either to such Lender's assignor immediately

before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Sections 2.6(h)(vi) and (vii) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"**Exigent Circumstance**" has the meaning given it in Section 13.14.

"**FATCA**" means Sections 1471 through 1474 of the IRC, 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 and any agreements entered into pursuant to Section 1471(b)(1) of the IRC and any intergovernmental agreement between the United States Internal Revenue Service, the U.S. Government and any governmental or taxation authority under any other jurisdiction which agreement's principal purposes deals with the implementation of such sections of the IRC.

"**FDA**" means the Food and Drug Administration of the United States of America, any comparable state or local Governmental Authority, any comparable Governmental Authority in any non-United States jurisdiction, and any successor agency of any of the foregoing.

"**FDCA**" means the Federal Food, Drug and Cosmetic Act, as amended, 21 U.S.C. Section 301 et seq., and all regulations promulgated thereunder.

"**Federal Funds Rate**" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, *provided* that if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Agent on such day on such transactions as determined by Agent in a commercially reasonable manner.

"**Fee Letters**" means, collectively, the fee letter agreements among Borrower and Agent and Borrower and each Lender.

"**Financing Documents**" means, collectively, this Agreement, the Perfection Certificate, the Pledge Agreement, and the other Security Documents, each Subordination Agreement and any subordination or intercreditor agreement pursuant to which any Indebtedness and/or any Liens securing such Indebtedness is subordinated to all or any portion of the Obligations, the Fee Letter(s), each note and guarantee executed by one (1) or more Credit Parties in connection with the indebtedness governed by this Agreement, and each other present or future agreement executed by one (1) or more Credit Parties and, or for the benefit of, the Lenders and/or Agent in connection with this Agreement, all as amended, restated, or otherwise modified from time to time.

"**Foreign Lender**" means a Lender that is not a U.S. Person.

[***]

"**Funding Date**" means any date on which a Credit Extension is made to or on account of Borrower which shall be a Business Day.

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

"**General Intangibles**" means all "general intangibles", as defined in the Code, with such additions to such term as may hereafter be made, and includes without limitation, all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished,

any patents, trademarks, service marks and, to the extent permitted under applicable Law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including, without limitation, key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

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

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[***]

"**Guarantor**" means any present or future guarantor of the Obligations.

"**Hazardous Materials**" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives, flammable materials; radioactive materials; polychlorinated biphenyls and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which is prohibited by any Laws; toxic mold, any substance that requires special handling; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," "pollutant" or other words of similar import within the meaning of any Environmental Law, including: (a) any "hazardous substance" defined as such in (or for purposes of) CERCLA, or any so-called "superfund" or "superlien" Law, including the judicial interpretation thereof; (b) any "pollutant or contaminant" as defined in 42 U.S.C.A. § 9601(33); (c) any material now defined as "hazardous waste" pursuant to 40 C.F.R. Part 260; (d) any petroleum or petroleum by-products, including crude oil or any fraction thereof; (e) natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel; (f) any "hazardous chemical" as defined pursuant to 29 C.F.R. Part 1910; (g) any toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos, polychlorinated biphenyls, flammable explosives, radioactive materials, infectious substances, materials containing lead-based paint or raw materials which include hazardous constituents); and (h) any other toxic substance or contaminant that is subject to any Environmental Laws or other past or present requirement of any Governmental Authority.

"**Hazardous Materials Contamination**" means contamination (whether now existing or hereafter occurring) of the improvements, buildings, facilities, personalty, soil, groundwater, air or other elements on or of the relevant property by Hazardous Materials, or any derivatives thereof, or on or of any other property as a result of Hazardous Materials, or any derivatives thereof, generated on, emanating from or disposed of in connection with the relevant property.

"**Healthcare Laws**" means all applicable Laws relating to the procurement, development, provision, clinical and non-clinical evaluation or investigation, product approval or clearance, manufacture, production, distribution, importation, exportation, use, handling, quality, reimbursement, sale, labeling, advertising, promotion, or postmarket requirements of any product produced by a Credit Party or any Subsidiary thereof (including, without limitation, any component of, or accessory to, the foregoing products) subject to regulation under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. et seq.) or FDCA), and similar state or foreign laws, controlled substances laws, and all laws, policies, procedures, requirements and regulations pursuant to which Required Permits are issued, in each case, as the same may be amended from time to time.

"**Indebtedness**" means (a) indebtedness for borrowed money (including the Obligations) or the deferred price of, or payment for, property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations,

provided, *however*, that any obligations relating to a lease that was accounted for by such Person as an operating lease in accordance with GAAP as of the Closing Date and any similar lease entered into after the Closing Date by such Person shall be accounted for a obligations relating to an operating lease and not as a capital lease, (d) non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit, banker's acceptance or similar instrument, (e) equity securities of such Person subject to repurchase or redemption other than at the sole option of such Person, including all Disqualified Stock, (f) obligations secured by a Lien on any asset of such Person, whether or not such obligation is otherwise an obligation of such Person, (g) "earnouts", purchase price adjustments, profit sharing arrangements, deferred purchase money amounts and similar payment obligations or continuing obligations of any nature of such Person arising out of purchase and sale contracts, (h) all Indebtedness of others guaranteed by such Person, (i) off-balance sheet liabilities and/or pension plan or multiemployer plan liabilities of such Person, (j) obligations arising under non-compete agreements, (k) obligations in respect of litigation settlement agreements or similar arrangements, (l) obligations arising under bonus, deferred compensation, incentive compensation or similar arrangements, other than those arising in the Ordinary Course of Business, and (m) Contingent Obligations.

"**Indemnified Liabilities**" has the meaning given it in Section 14.8.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower under this Agreement and (b) to the extent not otherwise described in (a), Other Taxes.

"**Indemnitees**" has the meaning given it in Section 13.2(b).

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

"**Intellectual Property**" means all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, patent applications and like protections, including improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same, trademarks, trade names, service marks, mask works, rights of use of any name, domain names, or any other similar rights, any applications therefor, whether registered or not, know-how, operating manuals, trade secret rights, clinical and non-clinical data, rights to unpatented inventions, and any claims for damage by way of any past, present, or future infringement of any of the foregoing.

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

"**Investment**" means, with respect to any Person, directly or indirectly, (a) to purchase or acquire any stock or stock equivalents, or any obligations or other securities of, or any interest in, any Person, including the establishment or creation of a Subsidiary, (b) to make or commit to make any Acquisition or (c) to make or purchase any advance, loan, extension of credit or capital contribution to, or any other investment in, any Person.

"**IP Proceeds**" means, collectively, all cash, Accounts, license and royalty fees, claims, products, awards, judgments, insurance claims, and other revenues, proceeds or income, arising out of, derived from or relating to any Intellectual Property of any Credit Party, and any claims for damage by way of any past, present or future infringement of any Intellectual Property of any Credit Party (including, without limitation, all cash, royalty fees, other proceeds, Accounts and General Intangibles that consist of rights of payment to or on behalf of a Credit Party and the proceeds from the sale, licensing or other disposition of all or any part of, or rights in, any Intellectual Property by or on behalf of a Credit Party).

"**IP Security Agreement**" means any security agreement executed by Borrower that grants (or is prepared as a notice filing or recording with respect to) a Lien or security interest in favor of Agent and/or Lenders on Intellectual Property, each as amended, restated, or otherwise modified from time to time.

"**IRC**" means the Internal Revenue Code of 1986, as amended, and any successor provisions.

"**IRS**" means the United States Internal Revenue Service.

"**Joinder Requirements**" has the meaning given it in Section 6.8.

"**Laws**" means any and all federal, state, provincial, territorial, local and foreign statutes, laws, judicial decisions, regulations, guidance, guidelines, ordinances, rules, judgments, orders, decrees, codes, plans, injunctions, permits, concessions, grants, franchises, governmental agreements and governmental restrictions, whether now or hereafter in effect, which are applicable to any Credit Party in any particular circumstance.

"**Lenders**" means each of the Persons identified on the Credit Facility Schedule as amended from time to time to reflect assignments made in accordance with this Agreement.

"**Lien**" means a claim, mortgage, deed of trust, lien, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of Law or otherwise against any property.

"**Margin Stock**" means "margin stock" as such term is defined in Regulation T, U, or X of the Board of Governors of the Federal Reserve System.

"**Material Adverse Change**" means (a) a material impairment in the perfection or priority of Agent's Lien (or any Lender's Lien therein to the extent provided for in the Financing Documents) in the Collateral (other than solely as a result of any action or inaction of Agent or Lenders, provided that such action or inaction is not caused by a Credit Party's failure to comply with the terms of the Financing Documents); (b) a material impairment in the value of the Collateral; (c) a material adverse change in the business, operations or financial condition of the Credit Parties taken as a whole; or (d) a material impairment of the prospect of repayment of any portion of the Obligations.

"**Material Agreement**" means (a) the agreements listed in the **Disclosure Schedule** on the Closing Date, including [***], (b) [***], (c) each other agreement or contract that Rigel has filed with the SEC as a material agreement, including pursuant to Item 601(b)(10) of Regulation S-K, and (d) each agreement or contract to which such Credit Party or its Subsidiaries is a party the termination of which could reasonably be expected to result in a Material Adverse Change.

"**Material Indebtedness**" has the meaning given it in Section 10.1(e).

"**Material Intangible Assets**" means (a) all of Borrower's and its Subsidiaries Intellectual Property and (b) each license or sublicense agreements or other agreements with respect to rights in Intellectual Property, that, in the case of each of clauses (a) and (b), is material to the condition (financial or other), business or operations of Borrower and its Subsidiaries.

"**Maturity Date**" means September 1, 2026.

"**Maximum Lawful Rate**" has the meaning given it in Section 2.6(g).

"**MidCap**" has the meaning given it in the preamble of this Agreement.

"**Minimum Cash Threshold**" means, [***].

"**Multiemployer Plan**" means any employee benefit plan of the type described in Section 4001(a)(3) or ERISA, to which any Credit Party or any ERISA Affiliate has at any time (whether presently or in the past) sponsored, maintained, contributed to, or had an obligation to make contributions to or to which any Credit Party or any ERISA Affiliate has any liability, contingent or otherwise.

"**Obligations**" means all of Borrower's obligations to pay when due any debts, principal, interest, Protective Advances, fees, indemnities and other amounts Borrower owes Agent or the Lenders now or later, under this Agreement or the other Financing Documents, including, without limitation, interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Agent, and the payment and performance of each other Credit Party's covenants and obligations under the Financing Documents. "Obligations" does not include obligations under any warrants issued to Agent or a Lender.

"**OFAC**" means the U.S. Department of Treasury Office of Foreign Assets Control.

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

"**Operating Documents**" means, for any Person, such Person's formation documents, as certified with the Secretary of State of such Person's state of formation on a date that is no earlier than thirty (30) days prior to the Closing Date, and (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Ordinary Course of Business**" means, in respect of any transaction involving any Credit Party, the ordinary course of business of such Credit Party, as conducted by such Credit Party in accordance with past practices or then current business practices set forth in the most recent operating plan of Borrower to the extent approved by Agent, which shall in any event be at arms-length.

"**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 this Agreement, or sold or assigned an interest in any Obligation hereunder).

"**Other Tax Certification**" means such certification or evidence, in each case in form and substance reasonably satisfactory to Agent and Borrower, that any Lender or prospective Lender is exempt from, or eligible for a reduction in, U.S. federal withholding tax or backup withholding tax, including evidence supporting the basis for such exemption or reduction.

"**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, this Agreement, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.6(h)(x)).

"**Participant Register**" has the meaning given it in Section 13.1(c).

"**Payment Date**" means the first (1st) calendar day of each calendar month.

"**PBGC**" means the Pension Benefit Guaranty Corporation, or any successor entity thereto.

"**Pension Plan**" means any employee benefit pension plan that is subject to the minimum funding standards under Section 412 of the IRC or is covered by Title IV of ERISA (including a Multiemployer Plan) that any Credit Party or any ERISA Affiliate has, at any time (whether presently or in the past) sponsored, maintained, contributed to, or had an obligation to make contributions to or to which any Credit Party or any ERISA Affiliate has any liability (contingent or otherwise).

"**Perfection Certificate**" means the Perfection Certificate delivered to Agent as of the Closing Date, together with any amendments thereto required under this Agreement.

"**Permitted Acquisition**" means any Acquisition by a Credit Party, in each case, to the extent that each of the following conditions shall have been satisfied:

(a) the Credit parties shall have delivered to Agent and each Lender at least ten (10) Business Days prior written notice (or such shorter period as Agent may determine in its sole discretion) before the execution of any documents (other than a non-binding summary of terms, letter of intent or similar agreement) related to such proposed acquisition, including a reasonably detailed description of the terms and conditions of such acquisition (which may be included in the notice provided);

(b) as soon as available, but at least five (5) Business Days before the consummation of such Acquisition (or such shorter time as Agent may agree), Credit Parties shall have provided to Agent such information and documents that Agent may reasonably request, including, without limitation, (i) legal due diligence materials then in existence, (ii) applicable financial information, and sources of the funding, related to such Acquisition, and (iii) the respective agreements, documents and instruments pursuant to which such Acquisition is to be consummated, all schedules to such agreements, documents or instruments and all other material ancillary agreements, instruments and documents to be executed or delivered in connection therewith;

(c) Credit Parties shall and shall cause their Subsidiaries (including any new Subsidiary as required by Section 6.8) to execute and deliver the agreements, instruments and other documents required by Section 6.8 or Section 6.12 and as otherwise necessary or desirable to ensure that Agent receives a first priority perfected Lien in all entities and assets acquired in connection with the proposed Acquisition to the extent required by this Agreement;

(d) with respect to any Acquisition involving an in-license to a Credit Party, all such in-licenses or agreements related thereto shall constitute "Collateral" and Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Agent's rights and remedies under this Agreement and the other Financing Documents;

(e) there is no Indebtedness or Liens incurred, created or assumed in connection with such acquisition other than Permitted Indebtedness and Permitted Liens;

(f) such acquisition shall not be hostile and shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equityholders of the Person being acquired, in each case as required by such Person's organizational documents;

(g) no Default or Event of Default shall have occurred, be continuing or would exist immediately after giving effect to such Acquisition;

(h) the Acquisition would not result in a Change in Control;

(i) the target so acquired or the assets of the target so acquired, as the case may be, shall be in or reasonably related or ancillary to the business of Credit Parties;

(j) if the Acquisition is an equity purchase, the target and its Subsidiaries must have as its jurisdiction of formation a state within the United States and if the Acquisition is an asset purchase or a merger, not less than [***]% of the fair market value of all of the assets so acquired shall be located within the United States;

(k) the sum of all cash and Cash Equivalents paid or payable in connection with all Permitted Acquisitions (including all Indebtedness, liabilities and Contingent Obligations (in each case to the extent otherwise permitted hereunder) incurred or assumed and the maximum amount of any deferred consideration, earn-out or comparable payment obligation in connection therewith, regardless of whether or not reflected on a consolidated balance sheet of Borrower) shall not exceed [***] ($[***]) in the aggregate for any calendar year; *provided* that the foregoing shall not prohibit or limit the issuance of common stock of Rigel as consideration in connection with such Acquisition.

"**Permitted Contest**" has the meaning given it in Section 6.4.

"**Permitted Contingent Obligations**" means:

(a) Contingent Obligations resulting from endorsements for collection or deposit in the Ordinary Course of Business;

(b) Contingent Obligations incurred in the Ordinary Course of Business with respect to surety and appeal bonds, performance bonds and other similar obligations not to exceed [***] ($[***]) in the aggregate at any time outstanding;

(c) Contingent Obligations arising under indemnity agreements with title insurers;

(d) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions of personal property assets permitted under Article 7;

(e) Contingent Obligations arising under the Financing Documents;

(f) so long as there exists no Event of Default both immediately before and immediately after giving effect to any such transaction, Contingent Obligations existing or arising under any swap contract, *provided*, *however*, that such obligations are (or were) entered into by Borrower or an Affiliate in the Ordinary Course of Business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person and not for purposes of speculation;

(g) unsecured Contingent Obligations existing or arising in connection with any security deposit or letter of credit obtained for the sole purpose of securing a lease of real property, or in connection with ancillary bank services such as a corporate credit card facility, *provided* that the aggregate face amount of all such security deposits, letters of credit not at any time exceed [***] ($[***]); *provided further* that the aggregate amount of all such ancillary bank services does not at any time exceed [***] ($[***]);

(h) the obligation of Borrower to make the Grifols Termination Payment on and subject to the terms of the Grifols License Agreement as the same is in effect on the Closing Date; *provided* that no such payment shall be made except in accordance with Section 7.9(b);

(i) Guaranties by a Credit Party of Permitted Indebtedness of another Credit Party incurred in the Ordinary Course of Business; provided, any such Guaranty shall be subordinated to the Obligations to the same extent and on the same terms and conditions as the Indebtedness guaranteed has been subordinated to the Obligations; and

(j) other Contingent Obligations not permitted by clauses (a) through (h) above, not to exceed [***] ($[***]) in the aggregate at any time outstanding.

"**Permitted Distributions**" means:

(a) dividends payable solely in common stock and made in the Ordinary Course of Business;

(b) repurchases of stock of former or current employees, directors, officers or consultants pursuant to stock purchase agreements, employee stock purchase plans, employee restricted stock agreements or similar plans in an aggregate amount not to exceed [***] ($[***]) each fiscal year;

(c) repurchases of stock of former or current employees, directors, officers or consultants pursuant to stock repurchase agreements by the cancellation of indebtedness owed by such former employees, directors, officers or consultants (and not, for the avoidance of doubt, by the payment of cash or Cash Equivalents by any Credit Party or Subsidiary thereof);

(d) payment of dividends or the making of distributions by any Subsidiary to Borrower;

(e) conversions of convertible securities (including warrants and options) into other equity securities (other than Disqualified Stock) pursuant to the terms of such convertible securities or otherwise in exchange thereof;

(f) issuance of other non-cash equity compensation (and acceleration of vesting thereof), including retention bonuses, to its officers, directors and other employees to the extent not constituting Disqualified Stock and issued in the Ordinary Course of Business;

(g) income taxes paid on behalf of employee equity award recipients in the Ordinary Course of Business in an aggregate amount not to exceed [***] ($[***]) per fiscal year;

(h) de minimis cash payable in lieu of issuing fractional shares;

(i) repurchases of stock deemed to occur upon exercise of stock options or warrants if such stock represents a portion of the exercise price of such options or warrants and repurchases of stock deemed to occur upon the withholding of a portion of the stock granted or awarded; provided that no cash or Cash Equivalents shall be paid by any Credit Party in connection with such repurchase expect to the extent otherwise constituting a Permitted Distribution; and

(j) the distribution of rights pursuant to a stockholder rights plan but not, for the avoidance of doubt, any distributions in respect of the exercise of such rights or the redemption thereof.

"**Permitted Indebtedness**" means:

(a) Borrower's Indebtedness to the Lenders and Agent under this Agreement and the other Financing Documents;

(b) Indebtedness existing on the Closing Date and described on the **Disclosure Schedule**;

(c) Indebtedness secured by Liens permitted pursuant to clause (b) of the definition of "Permitted Liens" so long as before and immediately after giving effect to the incurrence of such Indebtedness, no Event of Default has occurred and is continuing;

(d) Subordinated Debt;

(e) unsecured Indebtedness to trade creditors incurred in the Ordinary Course of Business;

(f) Permitted Contingent Obligations;

(g) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness set forth in (b) and (c) above, *provided, however*, that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon the obligors thereunder;

(h) Indebtedness in respect of netting services, overdraft protections, payment processing, automatic clearinghouse arrangements, arrangements in respect of pooled deposit or sweep accounts, check endorsement guarantees, and otherwise in connection with the deposit accounts or cash management services, in each case so long as such Indebtedness is incurred in the Ordinary Course of Business and is unsecured;

(i) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits (other than ERISA) pursuant to reimbursement or indemnification obligations to such Person, in each case in the Ordinary Course of Business;

(j) Indebtedness to finance insurance premiums financed through the applicable insurance company or other finance companies not to exceed [***] ($[***]) at any time outstanding;

(k) unsecured earn-out obligations and other similar unsecured milestone or contingent obligations incurred in connection with (i) a Permitted Acquisition, in an amount not to exceed the cap set forth in clause (j) of the definition of Permitted Acquisitions after taking into account all other consideration paid or payable by the Credit Parties in connection with Permitted Acquisitions during the term of this Agreement and (ii) the [***]; provided that no payment with respect to such obligations shall be made if an Event of Default has occurred and is continuing or would result from the making of such payments;

(l) Indebtedness consisting of unsecured intercompany loans and advances incurred by (i) any Borrower owing to any other Borrower, (ii) any Guarantor owing to any other Guarantor, (iii) any Restricted Foreign Subsidiary owing to any other Restricted Foreign Subsidiary, or (iv) any Restricted Foreign Subsidiary owing to any Borrower or any Guarantor so long as such Indebtedness constitutes a Permitted Investment of the applicable Credit Party pursuant to clause (k) of the definition of Permitted Investments; *provided*, *however*, that (x) upon the request of Agent at any time, any such Indebtedness owed to a Borrower or Guarantor shall be evidenced by promissory notes having terms reasonably satisfactory to Agent, the sole originally executed counterparts of which shall be pledged and delivered to Agent, for the benefit of itself and the Lenders, as security for the Obligations and (y) any such Indebtedness owed by a Credit Party shall be subordinated to the payment in full of the Obligations pursuant to documentation in form and substance reasonably satisfactory to Agent;

(m) Indebtedness incurred as a result of endorsing negotiable instruments received in the Ordinary Course of Business;

(n) Indebtedness in respect custom duties relating to the importation or exportation of goods incurred in the Ordinary Course of Business; and

(o) Other unsecured Indebtedness not to exceed [***] ($[***]) in the aggregate principal amount at any time.

"**Permitted Investments**" means:

(a) Investments existing on the Closing Date and described on the **Disclosure Schedule**;

(b) the holding of Cash Equivalents to the extent constituting an Investment;

(c) any Investments in liquid assets permitted by Borrower's investment policy, as amended from time to time, *provided* that such investment policy (and any such amendment thereto) has been approved in

writing by Agent (*provided* that, under no circumstances shall Borrower be permitted to invest in or hold Margin Stock);

(d) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of any Credit Party;

(e) Investments consisting of deposit accounts or securities accounts in which Agent has a first priority perfected security interest except as otherwise provided by Section 6.6;

(f) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the Ordinary Course of Business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's board of directors in the Ordinary Course of Business and in an aggregate amount not to exceed [***] ($[***]) in any fiscal year;

(g) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the Ordinary Course of Business;

(h) Investments consisting of note receivables of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the Ordinary Course of Business;

(i) Permitted Acquisitions;

(j) so long as no Event of Default exists or results therefrom, the granting of Permitted Licenses;

(k) so long as no Event of Default exists at the time of such Investment or after giving effect to such Investment, Investments of cash and Cash Equivalents in a Restricted Foreign Subsidiary but solely to the extent that (x) the aggregate amount of such Investments made with respect to all Restricted Foreign Subsidiaries does not, at any time, exceed [***] ($[***]) in any fiscal year and (y) with respect to any individual Restricted Foreign Subsidiary, the amount of such Investment in such Restricted Foreign Subsidiary at any time outstanding does not exceed the amount necessary to fund the current operating expenses of such Restricted Foreign Subsidiary for the applicable fiscal year (taking into account their revenue from other sources);

(l) so long as no Event of Default exists at the time of such Investment or after giving effect to such Investment, Investment of cash and cash equivalents in joint venture or strategic alliances; *provided* that the aggregate amount of such Investments do not exceed [***] ($[***]) per fiscal year;

(m) [***]; and

(n) so long as no Event of Default exists at the time of such Investment or after giving effect to such Investment, other Investments of cash and Cash Equivalents in an amount not exceeding [***] ($[***]) per fiscal year.

"**Permitted License**" means:

(a) any non-exclusive license of Intellectual Property rights of Borrower or its Subsidiaries so long as all such Permitted Licenses (i) are granted to third parties in the Ordinary Course of Business, (ii) do not result in a legal transfer of title to the licensed property, (iii) have been granted in exchange for fair consideration as determined by the Borrower in its reasonable business judgment and on commercially reasonable arms' length terms, and (iv) no Event of Default is existing at the time such license is granted or would result from the granting thereof;

(b) any exclusive or co-exclusive license of Intellectual Property rights of Borrower or its Subsidiaries so long as such Permitted License (i) has been granted to third parties in the Ordinary Course of Business, (ii) does not result in a legal transfer of title to the licensed property, (iii) has been granted in exchange for fair consideration as determined by the Borrower in its reasonable business judgment and on commercially reasonable arms' length terms, (iv) is exclusive or co-exclusive (as applicable) solely as to discrete geographical areas outside of the United States and is not exclusive or co-exclusive in any other respect, and (v) no Event of Default is existing at the time such license is granted or would result from the granting thereof;

(c) except in all cases with respect to the [***]and Intellectual Property related thereto (as to which no exclusive licenses shall be permitted pursuant to this clause (c)), any exclusive or co-exclusive license of other Intellectual Property rights of Borrower or its Subsidiaries so long as such Permitted License (i) is granted to third parties in the Ordinary Course of Business pursuant to standard partnership agreements (and amendments thereto) related to Borrower's on-going [***] that are in effect as of the Closing Date, (ii) does not result in a legal transfer of title to the licensed property, (iii) has been granted in exchange for fair consideration as determined by the Borrower in its reasonable business judgment and on commercially reasonable arms' length terms, and (iv) no Event of Default is existing at the time such license is granted or would result from the granting thereof; and

(d) except in all cases with respect to the [***] and Intellectual Property related thereto (as to which no exclusive licenses shall be permitted pursuant to this clause (d)), any exclusive license of other Intellectual Property rights of Borrower or its Subsidiaries so long as such Permitted License (i) is granted to third parties in the Ordinary Course of Business pursuant to standard partnership agreements (and/or amendments thereto) related to Borrower's programs that either are partnered on the Closing Date or have previously been partnered prior to the Closing Date, including programs related to [***], (ii) does not result in a legal transfer of title to the licensed property, (iii) has been granted in exchange for fair consideration as determined by the Borrower in its reasonable business judgment and on commercially reasonable arms' length terms, and (iv) no Event of Default is existing at the time such license (including any amendment thereto) is granted or would result from the granting thereof.

"**Permitted Liens**" means:

(a) Liens existing on the Closing Date and shown on the **Disclosure Schedule** or arising under this Agreement and the other Financing Documents;

(b) so long as before and immediately after giving effect to the incurrence of such Liens, no Event of Default has occurred and is continuing, purchase money Liens or capital leases securing no more than [***] ($[***]) in the aggregate amount outstanding at any time (i) on Equipment acquired or held by a Credit Party incurred for financing the acquisition of the Equipment, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(c) Liens for taxes, fees, assessments or other government charges or levies, either not delinquent or are the subject of a Permitted Contest for which adequate reserves are maintained on the Books of the Credit Party against whose asset such Lien exists;

(d) carrier's, warehousemen's, mechanic's, workmen's, materialmen's or other like Liens on Collateral arising in the Ordinary Course of Business with respect to obligations which are not due, or which are being contested pursuant to a Permitted Contest;

(e) leases or subleases of real property granted in the Ordinary Course of Business, and leases, subleases, non-exclusive licenses or sublicenses of property (other than real property or Intellectual Property) granted in the Ordinary Course of Business, if the leases, subleases, licenses and sublicenses do not prohibit granting Agent a security interest;

(f) banker's liens, rights of set-off and Liens in favor of financial institutions incurred made in the Ordinary

Course of Business arising in connection with a Credit Party's Collateral Accounts *provided* that such Collateral Accounts are subject to a Control Agreement to the extent required hereunder;

(g) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the Ordinary Course of Business (other than Liens imposed by ERISA);

(h) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default;

(i) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and similar charges or encumbrances affecting real property not constituting a Material Adverse Change;

(j) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases or consignments of personal property entered into the Ordinary Course of Business;

(k) Liens that are rights of set-off, bankers' liens or similar non-consensual Liens relating to deposit or securities accounts in favor of banks, other depositary institutions and securities intermediaries arising in the Ordinary Course of Business;

(l) Liens in favor of customs and revenue authorities arising as a matter of Law to secure payment of customs duties in connection with the importation of goods in the Ordinary Course of Business;

(m) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) and (b) above, but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness may not increase;

(n) to the extent constituting a Lien and so long as no Event of Default has occurred and is continuing, the granting of a Permitted License;

(o) Liens granted in the Ordinary Course of Business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted in clause (j) of the definition of Permitted Indebtedness;

(p) customary indemnification obligations relating to any disposition expressly permitted pursuant to the terms of this Agreement;

(q) good faith deposits of cash in connection with any Acquisition constituting a Permitted Investment; and

(r) deposits of cash as security for taxes subject to a Permitted Contest or import or customs duties being contested in good faith.

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

"**Pledge Agreement**" means that certain Pledge Agreement, dated as of the date hereof, executed by Borrower in favor of Agent, for the benefit of Lenders, covering all the equity interests respectively owned by the Credit Parties, as amended, restated, or otherwise modified from time to time.

"**Pro Rata Share**" means, as determined by Agent, with respect to each Credit Facility and Lender holding an Applicable Commitment or Credit Extensions in respect of such Credit Facility, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by *dividing* (a) in the case of fully-funded Credit Facilities, the amount of Credit Extensions held by such Lender in such Credit Facility *by* the aggregate amount of all outstanding

Credit Extensions for such Credit Facility, and (b) in the case of Credit Facilities that are not fully-funded, the amount of Credit Extensions and unfunded Applicable Commitments held by such Lender in such Credit Facility *by* the aggregate amount of all outstanding Credit Extensions and unfunded Applicable Commitments for such Credit Facility.

"**Products**" means any products manufactured, sold, developed, tested or marketed by any Borrower or any of its Subsidiaries, including without limitation, those products set forth on the **Products Schedule** (as updated from time to time in accordance with Section 6.16); *provided* that, for the avoidance of doubt, any new Product not disclosed on the **Products Schedule** shall still constitute a "Product" as herein defined.

"**Protective Advances**" means all audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) of Agent and the Lenders for preparing, amending, negotiating, administering, defending and enforcing the Financing Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred by Agent or the Lenders in connection with the Financing Documents.

"**Recipient**" means Agent and any Lender, as applicable.

"**Reference Time**" means approximately a time substantially consistent with market practice two (2) SOFR Business Days prior to the first day of each calendar month. If by 5:00 pm (New York City time) on any interest lookback day, Term SOFR in respect of such interest lookback day has not been published on the SOFR Administrator's Website, then Term SOFR for such interest lookback day will be Term SOFR as published in respect of the first preceding SOFR Business Day for which Term SOFR was published on the SOFR Administrator's Website; *provided* that such first preceding SOFR Business Day is not more than three (3) SOFR Business Days prior to such interest lookback day.

"**Register**" has the meaning given it in Section 13.1(c).

"**Registered Intellectual Property**" means any registered patent, registered trademark or servicemark, registered copyright, registered mask work, or any pending application for any of the foregoing.

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

"**Regulatory Reporting Event**" has the meaning given it in Section 6.16(a).

"**Regulatory Required Permit**" means any and all licenses, approvals and permits issued by the FDA, DEA or any other applicable Governmental Authority, including without limitation Drug Applications, necessary for the testing, manufacture, marketing or sale of any Product by any applicable Borrower(s) and its Subsidiaries as such activities are being conducted by such Borrower and its Subsidiaries with respect to such Product at such time and any drug listings and drug establishment registrations under 21 U.S.C. Section 510, registrations issued by DEA under 21 U.S.C. Section 823 (if applicable to any Product), and those issued by State governments for the conduct of Borrower's or any Subsidiary's business.

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**Required Lenders**" means, unless all of the Lenders and Agent agree otherwise in writing, Lenders having (a) more than sixty percent (60%) of the Applicable Commitments of all Lenders, or (b) if such Applicable Commitments have expired or been terminated, more than sixty percent (60%) of the aggregate outstanding principal amount of the Credit Extensions.

"**Required Permit**" means all licenses, certificates, accreditations, product clearances or approvals, provider numbers or provider authorizations, supplier numbers, provider numbers, marketing authorizations, other

authorizations, registrations, permits, consents and approvals of a Credit Party issued or required under Laws applicable to the business of Borrower or any of its Subsidiaries or necessary in the manufacturing, importing, exporting, possession, ownership, warehousing, marketing, promoting, sale, labeling, furnishing, distribution or delivery of goods or services under Laws applicable to the business of Borrower or any of its Subsidiaries. Without limiting the generality of the foregoing, "**Required Permits**" includes any Regulatory Required Permit.

"**Reserve Percentage**" means, on any day, for any Lender, the maximum percentage prescribed by the Board of Governors of the Federal Reserve System (or any successor Governmental Authority) for determining the reserve requirements (including any basic, supplemental, marginal, or emergency reserves) that are in effect on such date with respect to eurocurrency funding (currently referred to as "eurocurrency liabilities") of that Lender, but so long as such Lender is not required or directed under applicable regulations to maintain such reserves, the Reserve Percentage shall be zero.

"**Responsible Officer**" means any of the President and Chief Executive Officer or Chief Financial Officer of Borrower.

"**Restricted Foreign Subsidiary**" means (a) Rigel Pharmaceuticals Limited, (b) Rigel Pharmaceuticals B.V., (c) Rigel Pharmaceuticals LTDA, (d) Rigel Pharmaceuticals, S. de R.L. de C.V., and (e) each other direct and indirect Subsidiary of Borrower not organized under the laws of the United States or any state thereof that Agent and Required Lenders may agree (in their sole discretion) in writing from time to time after the Closing Date to designate as a "Restricted Foreign Subsidiary" for purposes of this Agreement; unless and until such Subsidiary has been made a Credit Party hereunder in accordance with the provisions set forth in Section 6.12.

"**Rigel**" has the meaning set forth in the preamble to this Agreement.

"**Second Amendment**" means that certain Amendment No. 2 to Credit and Security Agreement dated February 11, 2022, among Borrower, Agent and Lenders party thereto.

"**Second Amendment Effective Date**" means February 11, 2022.

"**Secretary's Certificate**" means, with respect to any Person, a certificate, in form and substance satisfactory to Agent, executed by such Person's secretary (or other appropriate officer acceptable to Agent in its sole but reasonable discretion) on behalf of such Person certifying (a) that such Person has the authority to execute, deliver, and perform its obligations under each of the Financing Documents to which it is a party, (b) that attached to such certificate is a true, correct, and complete copy of the Borrowing Resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Financing Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Financing Documents on behalf of such Person, together with a sample of the true signature(s) of such Person(s), (d) that attached to such certificate are true, correct, and complete copies of the Operating Documents of Borrower and good standing certificates of Borrower certified by the Secretary of State of the state(s) of organization of Borrower as of a date no earlier than thirty (30) days prior to the Closing Date and (e) that a true, correct, and complete copy of each of the Borrower's Registration Rights Agreement/Investors' Rights Agreement, voting agreements or other agreements among shareholders and any amendments to the foregoing has been delivered to Agent.

"**Secured Promissory Note**" has the meaning given it in Section 2.7.

"**Securities Account**" means any "securities account", as defined in the Code, with such additions to such term as may hereafter be made.

"**Security Documents**" means, collectively, each Control Agreement, each IP Security Agreement, and each other agreement, document or instrument executed concurrently herewith or at any time hereafter pursuant to which one (1) or more Credit Parties or any other Person provides, as security for all or any portion of the Obligations, a Lien on any of its assets in favor of Agent for its own benefit and the benefit of the Lenders, as any or all of the same may be amended, supplemented, restated or otherwise modified from time to time.

"**SOFR**" means, with respect to any SOFR Business Day, a rate per annum equal to the secured overnight financing rate for such SOFR Business Day.

"**SOFR Administrator**" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of Term SOFR selected by Agent in its reasonable discretion).

"**SOFR Administrator's Website**" means the website of the SOFR Administrator, currently at https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html, or any successor source for Term SOFR identified by the SOFR Administrator from time to time.

"**SOFR Business Day**" means any day other than a Saturday or Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**SOFR Implementation Date**" means the first day after the end of the Applicable Interest Period during which Agent provides Borrower with written notice that the Credit Extensions and other Obligations will bear interest by reference to Term SOFR, which notice may be delivered by electronic mail.

"**SOFR Loan**" means a Credit Extension that bears interest at a rate based on Term SOFR.

"**Specified Event of Default**" means an Event of Default described in Section 10.1(a), 10.1(c) solely with respect to a default under Article 9, 10.1(f) or 10.1(n).

"**Stated Rate**" has the meaning given it in Section 2.6(g).

"**Subordinated Debt**" means indebtedness incurred by Borrower which shall be (a) in an amount satisfactory to Agent, (b) made pursuant to documents in form and substance satisfactory to Agent (the "**Subordinated Debt Documents**"), and (c) subordinated to all of Borrower's now or hereafter indebtedness to Agent and the Lenders pursuant to a Subordination Agreement.

"**Subordination Agreement**" means a subordination, intercreditor, or other similar agreement in form and substance, and on terms, approved by Agent in writing.

"**Subsidiary**" means, with respect to any Person, any Person of which more than fifty percent (50.0%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person. Unless the context otherwise requires, each reference to a Subsidiary shall be a reference to a Subsidiary of a Borrower.

[***]

[***]

[***]

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term SOFR**" means the greater of (a) the forward-looking term rate for a period comparable to such Applicable Interest Period based on SOFR that is published by the SOFR Administrator and is displayed on the SOFR Administrator's Website at approximately the Reference Time for such Applicable Interest Period plus 0.11448% and (b) the Applicable Floor. Unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 2.7, in the event that a Benchmark Replacement with respect to Term SOFR is implemented, then all references herein to Term SOFR shall be deemed references to such Benchmark Replacement.

"**Testing Date**" means the last date of each calendar quarter.

"**Third Amendment**" means that certain Amendment No. 3 to Credit and Security Agreement dated July 27, 2022, among Borrower, Agent and Lenders party thereto.

"**Third Amendment Effective Date**" means July 27, 2022.

"**Transaction Projections"** means, [***].

"**Transfer**" has the meaning given it in Section 7.1.

"**Unadjusted Benchmark Replacement**" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

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

"**Withholding Agent**" means Borrower and Agent.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

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

BORROWER:

RIGEL PHARMACEUTICALS, INC.

By:_____
Name:_____
Title:_____

AGENT:

MIDCAP FINANCIAL TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By:_____
Name: Maurice Amsellem
Title: Authorized Signatory

LENDERS:

MIDCAP FINANCIAL TRUST

By: Apollo Capital Management, L.P.,
its investment manager

By: Apollo Capital Management GP, LLC,
its general partner

By:_____
Name: Maurice Amsellem
Title: Authorized Signatory

LENDERS:

APOLLO INVESTMENT CORPORATION

By: Apollo Investment Management, L.P., as Advisor

By: ACC Management, LLC, as its General Partner

By:_____
Name:
Title:

CREDIT FACILITY SCHEDULE

The following Credit Facilities are specified on this Credit Facility Schedule:

Credit Facility #1:

Credit Facility and Type: Term, Tranche 1

Lenders for and their respective Applicable Commitments to this Credit Facility:

Lender	Applicable Commitment
Midcap Financial Trust	Seven Million Dollars ($7,000,000)
Apollo Investment Corporation	Three Million Dollars ($3,000,000)
Total:	**Ten Million Dollars ($10,000,000)**

The following defined terms apply to this Credit Facility:

Applicable Interest Period: means the one-month period starting on the first (1st) day of each month and ending on the last day of such month; *provided, however*, that the first (1st) Applicable Interest Period for each Credit Extension under this Credit Facility shall commence on the date that the applicable Credit Extension is made and end on the last day of such month.

Applicable Floor: means one and one half percent (1.50%) per annum.

Applicable Margin: a rate of interest equal to five and sixty-five one-hundredths percent (5.65%) per annum.

Applicable Prepayment Fee: means the following amount, calculated as of the date (the "**Accrual Date**") that the Applicable Prepayment Fee becomes payable in the case of prepayments required under the Financing Documents or the date any voluntary prepayment is made: (a) for an Accrual Date on or after the Closing Date through and including the date which is twelve (12) months after the Third Amendment Effective Date, two and one half percent (2.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); (b) for an Accrual Date on or after the date which is twelve (12) months after the Third Amendment Effective Date through and including the date which is twenty-four (24) months after the Third Amendment Effective Date, one and one half percent (1.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); and (c) for an Accrual Date on or after the date which is twenty-four (24) months after the Third Amendment Effective Date through and including the date immediately preceding the Maturity Date, one percent (1.0%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater).

Commitment Commencement Date: Closing Date.

Commitment Termination Date: the close of the Business Day following the Closing Date.

Minimum Credit Extension Amount: $10,000,000.00

Credit Facility #2:

Credit Facility and Type: Term, Tranche 2

Lenders for and their respective Applicable Commitments to this Credit Facility:

Lender	**Applicable Commitment**
MidCap Financial Trust	Seven Million Dollars ($7,000,000)
Apollo Investment Corporation	Three Million Dollars ($3,000,000)
Total:	**Ten Million Dollars ($10,000,000)**

The following defined terms apply to this Credit Facility:

Applicable Funding Conditions: N/A.

Applicable Interest Period: means the one-month period starting on the first (1st) day of each month and ending on the last day of such month; *provided, however*, that the first (1st) Applicable Interest Period for each Credit Extension under this Credit Facility shall commence on the date that the applicable Credit Extension is made and end on the last day of such month.

Applicable Floor: means one and one half percent (1.50%) per annum.

Applicable Margin: a rate of interest equal to five and sixty-five one-hundredths percent (5.65%) per annum.

Applicable Prepayment Fee: means the following amount, calculated as of the date (the "**Accrual Date**") that the Applicable Prepayment Fee becomes payable in the case of prepayments required under the Financing Documents or the date any voluntary prepayment is made: (a) for an Accrual Date on or after the Closing Date through and including the date which is twelve (12) months after the Third Amendment Effective Date, two and one half percent (2.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); (b) for an Accrual Date after the date which is twelve (12) months after the Third Amendment Effective Date through and including the date which is twenty-four (24) months after the Third Amendment Effective Date one and one half percent (1.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); and (c) for an Accrual Date after the date which is twenty-four (24) months after the Third Amendment Effective Date through and including the date immediately preceding the Maturity Date, one percent (1.0%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater).

Commitment Commencement Date: Closing Date.

Commitment Termination Date: the earliest to occur of (a) December 31, 2020, (b) the date on which any Credit Extensions are made by the Lenders in respect of Credit Facility #3 or Credit Facility #4, and (c) the delivery of a written notice by Agent to Borrower terminating the Applicable Commitments following an Event of Default that has not been waived or cured at the time such notice is delivered.

Minimum Credit Extension Amount: $10,000,000.00

Credit Facility #3:

Credit Facility and Type: Term, Tranche 3

Lenders for and their respective Applicable Commitments to this Credit Facility:

Lender	**Applicable Commitment**
MidCap Financial Trust	Seven Million Dollars ($7,000,000)
Apollo Investment Corporation	Three Million Dollars ($3,000,000)
Total:	**Ten Million Dollars ($10,000,000)**

The following defined terms apply to this Credit Facility:

Applicable Funding Conditions: N/A.

Applicable Interest Period: means the one-month period starting on the first (1st) day of each month and ending on the last day of such month; *provided, however*, that the first (1st) Applicable Interest Period for each Credit Extension under this Credit Facility shall commence on the date that the applicable Credit Extension is made and end on the last day of such month.

Applicable Floor: means one and one half percent (1.50%) per annum.

Applicable Margin: a rate of interest equal to five and sixty-five one-hundredths percent (5.65%) per annum.

Applicable Prepayment Fee: means the following amount, calculated as of the date (the "**Accrual Date**") that the Applicable Prepayment Fee becomes payable in the case of prepayments required under the Financing Documents or the date any voluntary prepayment is made: (a) for an Accrual Date on or after the Closing Date through and including the date which is twelve (12) months after the Third Amendment Effective Date, two and one half percent (2.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); (b) for an Accrual Date after the date which is twelve (12) months after the Third Amendment Effective Date through and including the date which is twenty-four (24) months after the Third Amendment Effective Date, one and one half percent (1.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); and (c) for an Accrual Date after the date which is twenty-four (24) months after the Third Amendment Effective Date through and including the date immediately preceding the Maturity Date, one percent (1.0%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater).

Commitment Commencement Date: the Second Amendment Effective Date.

Commitment Termination Date: the close of business on the Business Day following the Second Amendment Effective Date.

Minimum Credit Extension Amount: $10,000,000.00

Credit Facility #4:

Credit Facility and Type: Term, Tranche 4

Lenders for and their respective Applicable Commitments to this Credit Facility:

Lender	**Applicable Commitment**
MidCap Financial Trust	Seven Million Dollars ($7,000,000)
Apollo Investment Corporation	Three Million Dollars ($3,000,000)
Total:	**Ten Million Dollars ($10,000,000)**

The following defined terms apply to this Credit Facility:

Applicable Funding Conditions: : means:

(a) if the date on which the Credit Extensions under this Credit Facility #4 are to be made is prior to August 31, 2022, then the Applicable Funding Conditions are: N/A; or

(b) if the date on which the Credit Extensions under this Credit Facility #4 are to be made is on or after August 31, 2022, then the Applicable Funding Conditions are the following:

(i) [***]; and

(i) Borrower is in compliance with all terms of the Financing Documents, including compliance with the financial covenant set forth in Sections 9.1 and 9.2, as of the most recent Testing Date occurring prior to the date on which the Credit Extensions under this Credit Facility #4 are to be made.

Applicable Interest Period: means the one-month period starting on the first (1st) day of each month and ending on the last day of such month; *provided, however*, that the first (1st) Applicable Interest Period for each Credit Extension under this Credit Facility shall commence on the date that the applicable Credit Extension is made and end on the last day of such month.

Applicable Floor: means one and one half percent (1.50%) per annum.

Applicable Margin: a rate of interest equal to five and sixty-five one-hundredths percent (5.65%) per annum.

Applicable Prepayment Fee: means the following amount, calculated as of the date (the "**Accrual Date**") that the Applicable Prepayment Fee becomes payable in the case of prepayments required under the Financing Documents or the date any voluntary prepayment is made: (a) for an Accrual Date on or after the Closing Date through and including the date which is twelve (12) months after the Third Amendment Effective Date, two and one half percent (2.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); (b) for an Accrual Date after the date which is twelve (12) months after the Third Amendment Effective Date through and including the date which is twenty-four (24) months after the Third Amendment Effective Date, one and one half percent (1.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); and (c) for an Accrual Date after the date which is twenty-four (24) months after the Third Amendment Effective Date through and including the date immediately preceding the Maturity Date, one percent (1.0%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater).

Commitment Commencement Date: the Second Amendment Effective Date.

Commitment Termination Date: the earliest to occur of (a) March 31, 2023, (b) the date on which any Credit Extensions are made by the Lenders in respect of Credit Facility #5, and (c) the delivery of a written notice by Agent to Borrower terminating the Applicable Commitments following an Event of Default that has not been waived or cured at the time such notice is delivered.

Minimum Credit Extension Amount: $10,000,000.00

Credit Facility #5:

Credit Facility and Type: Term, Tranche 5

Lenders for and their respective Applicable Commitments to this Credit Facility:

Lender	**Applicable Commitment**
MidCap Financial Trust	Fourteen Million Dollars ($14,000,000)
Apollo Investment Corporation	Six Million Dollars ($6,000,000)
Total:	**Twenty Million Dollars ($20,000,000)**

The following defined terms apply to this Credit Facility:

Applicable Funding Conditions: means the following:

(a) **[***]; and**

(b) **Borrower is in compliance with all terms of the Financing Documents, including compliance with the financial covenant set forth in Sections 9.1 and 9.2, as of the most recent Testing Date occurring prior to the date on which the Credit Extensions under this Credit Facility #5 are to be made.**

Applicable Interest Period: means the one-month period starting on the first (1st) day of each month and ending on the last day of such month; *provided, however*, that the first (1st) Applicable Interest Period for each Credit Extension under this Credit Facility shall commence on the date that the applicable Credit Extension is made and end on the last day of such month.

Applicable Floor: means one and one half percent (1.50%) per annum.

Applicable Margin: a rate of interest equal to five and sixty-five one-hundredths percent (5.65%) per annum.

Applicable Prepayment Fee: means the following amount, calculated as of the date (the "**Accrual Date**") that the Applicable Prepayment Fee becomes payable in the case of prepayments required under the Financing Documents or the date any voluntary prepayment is made: (a) for an Accrual Date on or after the Closing Date through and including the date which is twelve (12) months after the Third Amendment Effective Date, two and one half percent (2.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); (b) for an Accrual Date after the date which is twelve (12) months after the Third Amendment Effective Date through and including the date which is twenty-four (24) months after the Third Amendment Effective Date, one and one half percent (1.5%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater); and (c) for an Accrual Date after the date which is twenty-four (24) months after the Third Amendment Effective Date through and including the date immediately preceding the Maturity Date, one percent (1.0%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater).

Commitment Commencement Date: The satisfaction of the Applicable Funding Conditions for this Credit Facility.

Commitment Termination Date: the earliest to occur of (a) March 31, 2023, and (b) the delivery of a written notice by Agent to Borrower terminating the Applicable Commitments following an Event of Default that has not been waived or cured at the time such notice is delivered.

Minimum Credit Extension Amount: $20,000,000.00

AMORTIZATION SCHEDULE (FOR EACH CREDIT FACILITY)

Credit Facility #1
Commencing on October 1, 2024 (the "**Initial Amortization Start Date**") and continuing on the first day of each calendar month thereafter, an amount equal to the aggregate principal amount advanced under Credit Facility #1 *divided by* twenty-four (24).

Credit Facility #2:
Commencing on the Initial Amortization Start Date and continuing on the first day of each calendar month thereafter, an amount equal to the aggregate principal amount advanced under Credit Facility #2 *divided by* twenty-four (24).

Credit Facility #3:
Commencing on the Initial Amortization Start Date and continuing on the first day of each calendar month thereafter, an amount equal to the aggregate principal amount advanced under Credit Facility #3 divided by twenty-four (24).

Credit Facility #4:
Commencing on the Initial Amortization Start Date and continuing on the first day of each calendar month thereafter, an amount equal to the aggregate principal amount advanced under Credit Facility #4 divided by twenty-four (24).

Credit Facility #5:
Commencing on the Initial Amortization Start Date and continuing on the first day of each calendar month thereafter, an amount equal to the aggregate principal amount advanced under Credit Facility #5 divided by twenty-four (24).

Notwithstanding anything to the contrary contained in the foregoing, the entire remaining outstanding principal balance under all Credit Extensions shall mature and be due and payable upon the Maturity Date.

Exhibit 31.1

CERTIFICATION

I, Raul R. Rodriguez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rigel Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022

/s/ RAUL R. RODRIGUEZ
Raul R. Rodriguez
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Dean L. Schorno, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rigel Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022

/s/ DEAN L. SCHORNO
Dean L. Schorno
Chief Financial Officer

Exhibit 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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), Raul R. Rodriguez, Chief Executive Officer of Rigel Pharmaceuticals, Inc. (the "Company"), and Dean L. Schorno, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2022, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned have set their hands hereto as of November 3, 2022.

/s/ RAUL R. RODRIGUEZ	/s/ DEAN L. SCHORNO
Raul R. Rodriguez	Dean L. Schorno
Chief Executive Officer	Chief Financial Officer

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