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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 December 31, 2017

or

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

For the transition period from to

Commission file number 001-37929

Myovant Sciences Ltd.
(Exact name of registrant as specified in its charter)

Bermuda	**98-1343578**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB United Kingdom	
(Address of principal executive offices)	**Not Applicable** (Zip Code)

Registrant's telephone number, including area code: **+44 203 318 9709**

(former name, former address and former fiscal year, if changed since last report)

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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No o

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. (Check one)

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	o
		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 o No ☒

The number of shares outstanding of the Registrant's common shares, $0.000017727 par value per share, on February 9, 2018, was 60,989,395.

MYOVANT SCIENCES LTD.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED DECEMBER 31, 2017

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

MYOVANT SCIENCES LTD.
Condensed Consolidated Balance Sheets
(*unaudited, in thousands, except share and per share data*)

	December 31, 2017	March 31, 2017
Assets		
Current assets:		
Cash	$ 128,873	$ 180,838
Prepaid expenses and other current assets	5,279	3,221
Income tax receivable	607	105
Total current assets	134,759	184,164
Deferred tax assets	—	208
Furniture and equipment, net	1,120	906
Other assets	2,098	—
Total assets	$ 137,977	$ 185,278
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 2,091	$ 3,329
Accrued expenses	20,953	11,978
Due to Roivant Sciences Ltd. and Roivant Sciences, Inc.	3,683	3,030
Total current liabilities	26,727	18,337
Takeda warrant liability	—	52
Deferred rent	372	113
Deferred interest payable	105	—
Long-term debt	28,575	—
Total liabilities	55,779	18,502
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Common shares, par value $0.000017727 per share, 564,111,242 shares authorized, 60,989,395 and 60,275,757 issued and outstanding at December 31, 2017 and March 31, 2017, respectively	1	1
Common shares subscribed	(1)	(1)
Additional paid-in capital	262,510	251,733
Accumulated other comprehensive (loss) income	(91)	140
Accumulated deficit	(180,221)	(85,097)
Total shareholders' equity	82,198	166,776
Total liabilities and shareholders' equity	$ 137,977	$ 185,278

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

MYOVANT SCIENCES LTD.
Condensed Consolidated Statements of Operations
(*unaudited, in thousands, except share and per share data*)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
Operating expenses:				
Research and development (includes $1,041 and $1,060 of share-based compensation expense for the three months ended December 31, 2017 and 2016 and $2,580 and $2,849 for the nine months ended December 31, 2017 and 2016, respectively)	$ 34,875	$ 6,158	$ 76,753	$ 24,484
General and administrative (includes $2,252 and $950 of share-based compensation expense for the three months ended December 31, 2017 and 2016 and $5,663 and $3,932 for the nine months ended December 31, 2017 and 2016, respectively)	6,640	2,898	16,963	8,427
Total operating expenses	41,515	9,056	93,716	32,911
Changes in the fair value of the Takeda warrant liability	—	(1,002)	—	28,815
Interest expense	904	—	904	—
Other income	(429)	—	(225)	—
Loss before provision for income taxes	(41,990)	(8,054)	(94,395)	(61,726)
Income tax (benefit) expense	(213)	29	607	40
Net loss	$ (41,777)	$ (8,083)	$ (95,002)	$ (61,766)
Net loss per common share — basic and diluted	$ (0.70)	$ (0.15)	$ (1.60)	$ (1.34)
Weighted average common shares outstanding — basic and diluted	59,629,486	54,447,203	59,446,140	45,929,021

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

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
Net loss	$ (41,777)	$ (8,083)	$ (95,002)	$ (61,766)
Other comprehensive loss:				
Foreign currency translation adjustment	(379)	—	(231)	—
Total other comprehensive loss	(379)	—	(231)	—
Comprehensive loss	$ (42,156)	$ (8,083)	$ (95,233)	$ (61,766)

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

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

	Common Shares		Common Shares Subscribed	Additional Paid in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balance at March 31, 2017	60,275,757	$ 1	$ (1)	$ 251,733	$ 140	$ (85,097)	$ 166,776
Adjustment to adopt ASU 2016-09	—	—	—	122	—	(122)	—
Shares issued to settle the Takeda warrant liability	4,432	—	—	58	—	—	58
Share-based compensation expense	564,111	—	—	7,519	—	—	7,519
Capital contribution — share-based compensation	—	—	—	724	—	—	724
Unrealized loss foreign currency translation adjustment	—	—	—	—	(231)	—	(231)
Stock option exercises	6,734	—	—	16	—	—	16
Shares issued to NovaQuest, net of underwriting discounts and commissions and offering expenses of $0.1 million	138,361	—	—	1,857	—	—	1,857
Warrants issued to Hercules with long-term debt	—	—	—	481	—	—	481
Net loss	—	—	—	—	—	(95,002)	(95,002)
Balance at December 31, 2017	60,989,395	$ 1	$ (1)	$ 262,510	$ (91)	$ (180,221)	$ 82,198

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

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

	Nine Months Ended December 31,	
	2017	2016
Cash flows from operating activities:		
Net loss	$ (95,002)	$ (61,766)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	8,243	6,781
Depreciation	167	9
Amortization of debt discount and issuance costs	390	—
Acquisition of in-process research and development	—	13,117
Changes in the fair value of the Takeda warrant liability	—	28,815
Foreign currency translation adjustment	(231)	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(2,058)	(1,153)
Deferred tax assets	208	—
Income tax receivable	(502)	(15)
Other assets	(2,098)	(100)
Accounts payable	(1,238)	549
Accrued expenses	8,838	2,912
Due to Roivant Sciences Ltd. and Roivant Sciences, Inc.	653	3,301
Deferred rent	259	—
Deferred interest payable	105	—
Net cash used in operating activities	(82,266)	(7,550)
Cash flows from investing activities:		
Purchases of furniture and equipment	(375)	(369)
Net cash used in investing activities	(375)	(369)
Cash flows from financing activities:		
Cash proceeds from issuance of common shares in initial public offering, net of underwriting discount	—	202,275
Initial public offering costs paid	—	(2,091)
Cash proceeds from debt financings, net of financing costs	28,803	—
Cash proceeds from issuance of common shares to NovaQuest, net of issuance costs	1,857	—
Cash capital contribution from Roivant Sciences Ltd.	—	1,036
Stock option exercises	16	—
Due to Roivant Sciences Ltd. and Roivant Sciences, Inc. for amounts paid on behalf of the Company	—	(979)
Net cash provided by financing activities	30,676	200,241
Net change in cash	(51,965)	192,322
Cash—beginning of period	180,838	—
Cash—end of period	$ 128,873	$ 192,322
Non-cash investing and financing activities:		
Deferred initial public offering costs, unpaid	$ —	$ 220
Acquisition of in-process research and development	$ —	$ 13,117
Deferred financing costs, unpaid	$ 137	$ —
Warrant issued to Hercules	$ 481	$ —

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

MYOVANT SCIENCES LTD.
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1—Description of Business

Myovant Sciences Ltd. (or together with its wholly owned subsidiaries, the Company) is a clinical-stage biopharmaceutical company focused on developing and commercializing innovative therapies for women's health and endocrine diseases. The Company is developing its lead product candidate, relugolix, for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain and advanced prostate cancer, and its second product candidate, MVT-602, for the treatment of female infertility as part of assisted reproduction.

The Company is an exempted limited company incorporated under the laws of Bermuda in February 2016 under the name Roivant Endocrinology Ltd. The Company changed its name to Myovant Sciences Ltd. in May 2016. The Company has four wholly owned subsidiaries. Roivant Endocrinology Inc. was incorporated in Delaware in April 2016 and subsequently changed its name to Myovant Sciences, Inc., or MSI. Myovant Holdings Limited, or MHL, a private limited company incorporated under the laws of England and Wales, and Myovant Sciences GmbH, or MSG, a company with limited liability formed under the laws of Switzerland, were each organized in August 2016. Myovant Sciences Ireland Limited, or MSIL, a company with limited liability formed under the laws of Ireland, was organized in April 2017. MSG holds the Company's intellectual property rights and is the Company's principal operating subsidiary.

Since its inception, the Company has devoted substantially all its efforts to organizing the Company, acquiring its product candidates, and preparing for and advancing the clinical development of its product candidates. The Company has two product candidates under development, relugolix and MVT-602, both of which were licensed from Takeda Pharmaceuticals International AG, or Takeda, on April 29, 2016.

The Company has determined that it has one operating and reporting segment as it allocates resources and assesses financial performance on a consolidated basis. The Company has incurred and expects to continue to incur significant and increasing operating losses and negative cash flows at least for the next several years. The Company does not expect to generate revenue unless and until it successfully completes development and obtains regulatory approval for one of its product candidates. The Company believes it currently has sufficient cash and financing commitments available to it to meet its financial needs for at least the next 12 months. The Company may need to obtain further funding through other public or private offerings of its capital shares, debt financing, collaboration and licensing arrangements or other sources. Adequate additional funding may not be available to the Company on acceptable terms, or at all.

Note 2—Summary of Significant Accounting Policies

(A) Basis of Presentation:

The Company's fiscal year ends on March 31, and its fiscal quarters end on June 30, September 30 and December 31.

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP, for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. These interim unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2017, filed with the Securities and Exchange Commission, or SEC, on June 14, 2017. The unaudited consolidated balance sheet at March 31, 2017 has been derived from the audited consolidated financial statements at that date. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary to present fairly the financial position of the Company and its results of operations and cash flows for the interim periods presented have been included. Operating results for the three and nine months ended December 31, 2017 are not necessarily indicative of the results that may be expected for the year ending March 31, 2018, for any other interim period or for any other future year. Certain prior year amounts have been reclassified to conform with the current period presentation. These reclassifications had no effect on the previously reported results of operations.

Any reference in these notes to applicable accounting guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification, or ASC, and Accounting Standards Update, or ASU, issued by the Financial Accounting Standards Board, or FASB. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company has no unconsolidated subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

There have been no significant changes in the Company's accounting policies from those disclosed in its Annual Report on Form 10-K for the fiscal year ended March 31, 2017, filed with the SEC on June 14, 2017.

(B) Use of Estimates:

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions in certain circumstances that affect the amounts reported and disclosed in the unaudited condensed consolidated financial statements and accompanying notes. The Company regularly evaluates estimates and assumptions related to assets, liabilities, costs, and expenses, including compensation and other expenses allocated to the Company under its services agreements with Roivant Sciences, Inc., or RSI, and Roivant Sciences GmbH, or RSG, each a wholly owned subsidiary of the Company's parent company, Roivant Sciences Ltd., or RSL, as well as share-based compensation, research and development, or R&D, costs, and income taxes. The Company bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of expenses during the reporting period, that are not readily apparent from other sources. Actual results could differ from those estimates.

(C) Debt Issuance Costs and Debt Discount:

Debt issuance costs include the costs of debt financings undertaken by the Company, including legal fees, accounting fees, and other direct costs of the financing. Debt issuance costs related to a recognized debt liability are presented in the unaudited condensed consolidated balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts, and are amortized to interest expense over the term of the related debt using the effective interest method. Further, debt discounts created as a result of the allocation of proceeds received from a debt issuance to warrants issued in conjunction with the debt issuance are amortized to interest expense under the effective interest method over the life of the recognized debt liability.

(D) Net Loss per Common Share:

Basic net loss per common share is computed by dividing net loss applicable to common shareholders by the weighted-average number of common shares outstanding during the period, reduced, where applicable, for outstanding yet unvested shares of restricted common stock. Diluted net loss per common share is computed by dividing the net loss applicable to common shareholders by the diluted weighted-average number of common shares outstanding during the period calculated in accordance with the treasury stock method. For the three and nine months ended December 31, 2017, 1.3 million restricted share awards and restricted stock units were not included in the calculation of diluted weighted-average common shares outstanding because they were anti-dilutive given the net loss of the Company. Additionally, for the three and nine months ended December 31, 2017, 3.3 million and 3.1 million, respectively, of options to purchase common shares were not included in the calculation because they were anti-dilutive. For the three and nine months ended December 31, 2016, 1.1 million restricted share awards and 1.3 million options to purchase common shares were not included in the calculation of diluted weighted-average common shares outstanding because they were anti-dilutive given the net loss of the Company.

(E) Financial Instruments:

The Company utilizes fair value measurement guidance prescribed by accounting standards to value its financial instruments. The guidance establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances.

Fair value is defined as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a three-tier fair value hierarchy that distinguishes among the following:

- Level 1-Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2-Valuations are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and models for which all significant inputs are observable, either directly or indirectly.
- Level 3-Valuations are based on inputs that are unobservable (supported by little or no market activity) and significant to the overall fair value measurement.

To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company's financial instruments include cash, accounts payable and long-term debt. Cash and accounts payable are stated at their respective historical carrying amounts, which approximate fair value due to their short-term nature. The carrying value of the Company's long-term debt approximates fair value based on current interest rates for similar types of borrowings and is included in Level 2 of the fair value hierarchy. See Note 4 for information about the determination of the carrying value of the Company's long-term debt at December 31, 2017.

(F) Recently Issued Accounting Pronouncements:

In February 2016, the FASB issued ASU No. 2016-02, "*Leases* (Topic 842)," or ASU No. 2016-02, which is a comprehensive new lease standard that amends various aspects of existing accounting guidance for leases. The core principle of ASU No. 2016-02 will require lessees to present the assets and liabilities that arise from leases on their balance sheets. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The Company is currently evaluating the new standard and its impact on the Company's consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-09, "*Compensation - Stock Compensation* (Topic 718): *Improvements to Employee Share-Based Payment Accounting*," or ASU No. 2016-09. ASU No. 2016-09 makes several modifications to Topic 718 related to the accounting for forfeitures, employer tax withholding on share-based compensation, and the financial statement presentation of excess tax benefits or deficiencies. ASU No. 2016-09 also clarifies the statement of cash flows presentation for certain components of share-based awards. The Company has adopted this guidance as of April 1, 2017 using a modified retrospective transition method. As a result of the adoption of this standard, the Company elected to change its accounting policy from estimating forfeitures to recognizing forfeitures when they occur and, as a result, recorded an adjustment of $0.1 million to increase accumulated deficit with a corresponding offset to additional paid-in-capital as of April 1, 2017. The other requirements of ASU No. 2016-09 did not have a material impact on the Company's unaudited condensed consolidated financial statements and related disclosures.

Note 3—Accrued Expenses

As of December 31, 2017, and March 31, 2017, accrued expenses consisted of the following (in thousands):

	December 31, 2017	March 31, 2017
Accrued research and development expenses	$ 18,287	$ 9,737
Accrued compensation-related expenses	1,838	797
Accrued legal expenses	133	481
Accrued other expenses	695	963
Total accrued expenses	$ 20,953	$ 11,978

Note 4—Long-term Debt

(A) NovaQuest Long-term Debt

In October 2017, the Company, its subsidiaries, MSI, MHL, MSG and MSIL, as guarantors, and NovaQuest Capital Management, or NovaQuest, entered into (i) a Securities Purchase Agreement, or the NovaQuest Securities Purchase Agreement, and (ii) an Equity Purchase Agreement, or the NovaQuest Equity Purchase Agreement. Pursuant to the NovaQuest Securities Purchase Agreement, the Company has the option, at its discretion, to issue up to $60.0 million aggregate principal amount of notes to NovaQuest and concurrent with each purchase of notes, NovaQuest is obligated to purchase up to $20.0 million of the Company's common shares on a pro rata basis, subject to certain terms and conditions, through December 31, 2018. The equity purchase price for each such purchase will be equal to 105% of the average of the volume-weighted average price for the five consecutive trading days immediately prior to the relevant purchase date. The Company has committed that it will issue at least $30.0 million aggregate principal amount of notes through December 31, 2018, subject to certain terms and conditions, of which $6.0 million aggregate principal amount was issued in October 2017. With this issuance of $6.0 million aggregate principal amount of notes in October 2017, NovaQuest also purchased 138,361 common shares for $2.0 million in accordance with the terms of the NovaQuest Securities Purchase Agreement.

The notes bear interest at a rate of 15% per annum, of which 5% is payable quarterly, and 10% is payable on a deferred basis on the earlier of the Amortization Date (as defined below) and the repayment in full of the notes. The notes mature on October 16, 2023. The Company will be required to amortize the principal amount of the notes in equal quarterly installments commencing on November 1, 2020, subject to extension at the option of the Company to November 1, 2021, or the Amortization Date, provided certain terms and conditions are met as set forth in the NovaQuest Securities Purchase Agreement. Early redemption of the notes is subject to a redemption charge. The Company's obligations under the NovaQuest Securities Purchase Agreement are secured by a second-lien security interest in substantially all of the Company's and its subsidiaries' respective assets, other than intellectual property. The NovaQuest Securities Purchase Agreement includes customary affirmative and restrictive covenants and representations and warranties, including a minimum cash covenant that applies commencing on the Amortization Date, and also includes customary events of default. Upon the occurrence of an event of default, a default interest rate of an additional 5% may be applied to the outstanding note balance and NovaQuest may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the NovaQuest Securities Purchase Agreement.

Pursuant to the NovaQuest Equity Purchase Agreement, NovaQuest has committed to purchase up to an additional $20.0 million of the Company's common shares from time to time at the Company's discretion through December 31, 2018, with an option to extend the commitment through December 31, 2019, subject to certain terms and conditions as set forth in the NovaQuest Equity Purchase Agreement. The Company has committed that it will exercise its option to sell and issue a minimum of $10.0 million of its common shares under the NovaQuest Equity Purchase Agreement through December 31, 2018, subject to certain terms and conditions. The purchase price for the common shares issued pursuant to the NovaQuest Equity Purchase Agreement will be equal to 105% of the average of the volume-weighted average price for the five consecutive trading days immediately prior to the relevant purchase date.

The Company incurred financing expenses related to the NovaQuest Securities Purchase Agreement of $1.0 million which are recorded as an offset to long-term debt on the Company's condensed consolidated balance sheets. These deferred financing costs are being amortized over the term of the debt using the effective interest method, and are included in interest expense in the Company's condensed consolidated statements of operations. During the three months ended December 31, 2017, interest expense included $0.1 million of amortized deferred financing costs related to the NovaQuest notes.

Outstanding debt obligations are as follows (in thousands):

	December 31, 2017
Principal amount	$ 6,000
Less: unamortized debt issuance costs	(950)
Loan payables less unamortized debt issuance costs	5,050
Less: current maturities	—
Long-term loan payable, net of current maturities and unamortized debt issuance costs	$ 5,050

(B) Hercules Long-term Debt

In October 2017, the Company, its subsidiaries, MSI, MHL, MSG and MSIL as guarantors, and Hercules Capital, Inc., or Hercules, entered into a Loan Agreement, or the Hercules Loan Agreement, which provides up to $40.0 million principal amount of term loans, or the Term Loans. A first tranche of $25.0 million principal amount was funded upon execution of the Hercules Loan Agreement in October 2017 and the remaining $15.0 million principal amount is available at the Company's discretion through March 31, 2018. The Term Loans bear interest at a variable per annum rate at the greater of (i) the prime rate plus 4.00% and (ii) 8.25%. The current interest rate on the Term Loans was 8.50% at December 31, 2017. The Term Loans mature on May 1, 2021, subject to extension to November 1, 2021 if certain milestones are met. The Company is obligated to make monthly payments of accrued interest until June 1, 2019, or the Interest-only Period, followed by monthly installments of principal and interest through the maturity date. The Interest-only Period may be extended until June 1, 2020 if certain milestones are met as defined in the Hercules Loan Agreement. Prepayment of the Term Loans is subject to a prepayment charge. The Company is also obligated to pay an end of term charge of 6.55% of the principal amount at maturity. The Company's obligations under the Hercules Loan Agreement are secured by a security interest in substantially all of the Company's and its subsidiaries' respective assets, other than intellectual property. The Hercules Loan Agreement includes customary affirmative and restrictive covenants and representations and warranties, including a minimum cash covenant that ceases to apply if the Company achieves certain clinical development and financing milestones as set forth in the Hercules Loan Agreement. The Hercules Loan Agreement also includes customary events of default. Upon the occurrence of an event of default, a default interest rate of an additional 5.00% may be applied to the outstanding principal balance, and Hercules may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Hercules Loan Agreement.

Concurrent with each funding of the Term Loans, the Company is required to issue to Hercules a warrant, or the Warrants, to purchase a number of its common shares equal to 3.00% of the principal amount of the relevant Term Loan funded divided by the exercise price, which will be based on the lowest three-day volume-weighted average price for the three consecutive trading days prior to the funding date for such Term Loan. The Warrants may be exercised on a cashless basis, and are immediately exercisable through the seventh anniversary of the applicable funding date. In connection with the first tranche funded under the Hercules Loan Agreement, the Company issued a Warrant to Hercules exercisable for an aggregate of 49,800 of its common shares at an exercise price of $15.06 per share. The Company accounted for the Warrant as an equity instrument since it was indexed to the Company's common shares and met the criteria for classification in shareholders' equity. The relative fair value of the Warrant on the date of issuance was approximately $0.5 million and was treated as a discount to the Term Loans. This amount will be amortized to interest expense using the effective interest method over the life of the Term Loans. The Company estimated the fair value of the Warrant using the Black-Scholes model based on the following key assumptions:

Exercise price	$15.06
Common share price on date of issuance	$14.39
Volatility	73.2%
Risk-free interest rate	2.15%
Expected dividend yield	—%
Contractual term (in years)	7.00 years

The Company issued the first tranche of the Term Loans at a discount of $2.1 million and incurred financing expenses of $1.3 million relating to the Hercules Loan Agreement which are recorded as an offset to long-term debt on the Company's condensed consolidated balance sheets. The debt discount and deferred financing costs are being amortized over the term of the debt using the effective interest method, and are included in interest expense in the Company's unaudited condensed consolidated statements of operations. During the three months ended December 31, 2017, interest expense included $0.3 million of amortized debt discount and issuance costs related to the Term Loans.

Outstanding debt obligations are as follows (in thousands):

	December 31, 2017
Principal amount	$ 25,000
End of term charge	1,638
Less: unamortized debt discount and issuance costs	(3,113)
Loan payables less unamortized debt discount and issuance costs	23,525
Less: current maturities	—
Long-term loan payable, net of current maturities and unamortized debt discount and issuance costs	$ 23,525

Note 5—Related Party Transactions

In July 2016, the Company entered into a formal services agreement with RSI, effective April 29, 2016, under which RSI agreed to provide certain administrative and R&D services to the Company. Under this services agreement, the Company pays or reimburses RSI for expenses it, or third parties acting on its behalf, incurs for the Company. For any general and administrative, or G&A, and R&D activities performed by RSI employees, RSI charges the Company the employee compensation expense plus a pre-determined mark-up. Employee compensation expense, inclusive of base salary and fringe benefits, is determined based upon the relative percentage of time utilized on Company matters by the respective employee. All other third-party costs are billed to the Company at cost. The accompanying interim unaudited condensed consolidated financial statements include third-party expenses incurred on behalf of the Company that have been incurred by RSI and RSL.

In February 2017, the Company and MSI amended and restated the services agreement, effective as of November 11, 2016, to include MSG as a services recipient. In addition, in February 2017, MSG entered into a separate services agreement with RSG, effective as of November 11, 2016, for the provisioning of services by RSG to MSG in relation to services related to clinical development, administrative and finance and accounting activities. The Company refers to the amended and restated services agreement with RSI and the services agreement with RSG, collectively, as the Services Agreements.

Under the Services Agreements, for the three months ended December 31, 2017 and 2016, the Company incurred expenses of $2.9 million and $2.7 million, respectively, inclusive of the pre-determined mark-up. For the nine months ended December 31, 2017 and 2016, the Company incurred expenses of $5.0 million and $6.8 million, respectively, inclusive of the pre-determined mark-up. These amounts are included in R&D and G&A based upon the service performed under the Services Agreements.

Note 6—Income Taxes

The Company is not subject to taxation under the laws of Bermuda since it was organized as a Bermuda Exempted Limited Company, for which there is no current tax regime. The Company’s provision for income taxes is primarily based on income taxes in the United States for federal, state and local taxes. The Company’s effective income tax rate for the three months ended December 31, 2017 and 2016 was 0.51% and (0.36)%, respectively. The Company’s effective income tax rate for the nine months ended December 31, 2017 and 2016 was (0.64)% and (0.06)%, respectively. The Company's effective income tax rate for all periods presented differs from the Bermuda federal statutory rate of 0% primarily due to the U.S. permanent unfavorable tax differences, and a valuation allowance that effectively eliminates the Company's net deferred tax assets in the United States. On December 22, 2017, the President of the United States signed into law an Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (commonly known as “the Tax Cuts and Jobs Act”), which introduced a comprehensive set of tax reforms. The Tax Cuts and Jobs Act significantly revises U.S. tax law by, among other provisions, lowering the U.S. federal statutory income tax rate from 35% to 21% and eliminating or reducing certain income tax deductions.

The effects of changes in tax laws are required to be recognized in the period in which the legislation is enacted. However, due to the complexity and significance of the Tax Cuts and Jobs Act’s provisions, the SEC staff issued Staff Accounting Bulletin No. 118 (“SAB 118”), which allows companies to record the tax effects of the Tax Cuts and Jobs Act on a provisional basis based on a reasonable estimate, and then, if necessary, subsequently adjust such amounts during a limited measurement period as more information becomes available. The measurement period ends when a company has obtained, prepared, and analyzed the information necessary to finalize its accounting, but cannot extend beyond one year from enactment.

The Tax Cuts and Jobs Act did not have a material impact on the Company’s financial statements since its deferred temporary tax differences are fully offset by a valuation allowance and the Company does not have any off shore earnings from which to record the mandatory transition tax. However, given the significant complexity of the Tax Cuts and Jobs Act, anticipated guidance from the U.S. Treasury about implementing the Tax Cuts and Jobs Act, and the potential for additional guidance from the SEC or the FASB related to the Tax Cuts and Jobs Act, these estimates may be adjusted during the measurement period. The provisional amounts were based on the Company’s present interpretations of the Tax Cuts and Jobs Act and currently available information, including assumptions and expectations about future events, such as its projected financial performance,

and are subject to further refinement as additional information becomes available (including the Company's actual results of operations for the year ending March 31, 2018, as well as potential new or interpretative guidance issued by the FASB or the Internal Revenue Service and other tax agencies) and further analyses are completed. The Company continues to analyze the changes in certain income tax deductions, and gather additional data to compute the full impacts on the Company's deferred and current tax assets and liabilities.

The Company assesses the realizability of its deferred tax assets at each balance sheet date based on available positive and negative evidence to determine the amount which is more likely than not to be realized and records a valuation allowance as necessary.

Note 7—Share-Based Compensation

In June 2016, the Company adopted its 2016 Equity Incentive Plan, or as amended, the 2016 Plan, under which 4.5 million common shares were originally reserved for grant. On April 1, 2017, the number of common shares authorized for issuance increased automatically to 6.9 million in accordance with the 2016 Plan.

At December 31, 2017, a total of 1.8 million common shares were available for future grant under the 2016 Plan. At December 31, 2017, there were 3.4 million options outstanding with a weighted average exercise price of $9.47 and 1.7 million restricted share awards and restricted stock units had been granted.

(A) Stock Options, Restricted Share Awards and Restricted Stock Units Granted to Employees and Directors:

During the nine months ended December 31, 2017 and 2016, the Company granted options to purchase a total of 2.2 million and 1.3 million common shares, respectively, to its employees and directors under the 2016 Plan. The Company recorded share-based compensation expense related to stock options issued to Company employees and directors of $2.1 million and $0.9 million, respectively, for the three months ended December 31, 2017 and 2016 and $4.9 million and $1.2 million, respectively, for the nine months ended December 31, 2017 and 2016. At December 31, 2017, total unrecognized compensation expense related to unvested options issued to employees and directors was $24.5 million, which is expected to be recognized over the remaining weighted-average service period of 3.08 years.

During the nine months ended December 31, 2017 and 2016, the Company granted a restricted share award for 0.6 million and 1.1 million common shares, respectively, to the Company's Principal Executive Officer under the 2016 Plan. The restricted share award granted during the nine months ended December 31, 2017 is a market-based award for which the grant date fair value was estimated using a Monte Carlo valuation model. The Company records expense ratably over the applicable vesting period regardless of whether the market condition is satisfied because the awards are subject to market conditions. During the nine months ended December 31, 2017, 15,000 restricted stock units were granted to employees. No restricted stock units were granted during the nine months ended December 31, 2016. The Company recorded total share-based compensation expense related to the restricted share awards and restricted stock units of $0.9 million and $0.4 million, respectively, for the three months ended December 31, 2017 and 2016 and $2.4 million and $0.8 million, respectively, for the nine months ended December 31, 2017 and 2016. At December 31, 2017, total unrecognized compensation expense related to unvested restricted share awards and restricted stock units was $10.3 million, which is expected to be recognized over the remaining weighted-average service period of 3.87 years.

Share-based compensation expense is included in R&D and G&A expenses in the accompanying interim unaudited condensed consolidated statements of operations consistent with the grantee's salary.

(B) Share-Based Compensation for Related Parties:

(1) Stock Options Granted to Non-Employees:

The Company recorded share-based compensation expense related to stock options granted to consultants of $7,293 and $0.1 million, respectively, for the three months ended December 31, 2017 and 2016 and $0.2 million and $0.2 million, respectively, for the nine months ended December 31, 2017 and 2016. At December 31, 2017, total unrecognized compensation expense related to stock options granted to consultants was $0.1 million, which is expected to be recognized over 2.63 years. This share-based compensation expense is included in R&D and G&A expenses in the accompanying interim unaudited condensed consolidated statements of operations. During the nine months ended December 31, 2017, no options were granted to consultants under the 2016 Plan. During the nine months ended December 31, 2016, 0.1 million options were granted to consultants under the 2016 Plan.

(2) Share-Based Compensation Allocated to the Company by RSL:

Share-based compensation expense is allocated to the Company by RSL based upon the relative percentage of time utilized by RSL and RSI employees on Company matters.

In relation to the RSL common share awards and options issued by RSL to RSL and RSI employees, the Company recorded share-based compensation expense of $0.2 million and $0.6 million, respectively, for the three months ended December 31, 2017 and 2016 and $0.7 million and $4.6 million, respectively, for the nine months ended December 31, 2017 and 2016.

The RSL common share awards are valued at fair value on the date of grant and that fair value is recognized over the requisite service period. As RSL is a non-public entity, the RSL common share awards are classified as a level 3 financial instrument within the fair value hierarchy due to their unobservable nature. Significant judgment and estimates were used to estimate the fair value of these awards, as they are not publicly traded. RSL common share awards are subject to specified vesting schedules and requirements (a mix of time-based, performance-based and corporate event-based, including targets for RSL's post-IPO market capitalization and future financing events). RSL estimated the fair value of each RSL option on the date of grant using the Black-Scholes closed-form option-pricing model.

Share-based compensation expense has been and will continue to be allocated to the Company over the requisite service period over which these RSL common share awards and RSL options are expected to vest based upon the relative percentage of time utilized by RSL and RSI employees on Company matters.

Note 8—Commitments and Contingencies

The Company has entered into commitments under its license agreement with Takeda, services agreements with RSI and RSG (See Note 5), and financing agreements with NovaQuest and Hercules (See Note 4). In addition, the Company has entered into services agreements with third parties for pharmaceutical R&D and manufacturing activities and has a lease agreement for office space located in Brisbane, California. The manufacturing agreements can be terminated by the Company with 30 days written notice. Expenditures to contract research organizations, or CROs, and contract manufacturing organizations, or CMOs, represent significant costs in the Company's clinical development of its product candidates. Subject to required notice periods and the Company's obligations under binding purchase orders, the Company can elect to discontinue the work under these agreements at any time. The Company expects to enter into additional commitments as the business further develops.

The Company may be, from time to time, a party to various disputes and claims arising from normal business activities. The Company accrues for loss contingencies when available information indicates that it is probable that a liability has been incurred and the amount of such liability can be reasonably estimated. In the cases where the Company believes that a reasonably possible loss exists, the Company discloses the facts and circumstances of the loss contingency, including an estimable range, if possible.

During the nine months ended December 31, 2017, there were no other material changes outside the ordinary course of business to the specified contractual obligations set forth in the contractual obligations table included in the Company's Annual Report on Form 10-K for the year ended March 31, 2017.

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

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with (1) the interim unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q, and (2) the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the fiscal year ended March 31, 2017 included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission, or SEC, on June 14, 2017. Unless the context requires otherwise, references in this report to "Myovant," the "Company," "we," "us," and "our" refer to Myovant Sciences Ltd. and its wholly-owned subsidiaries.

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements are often identified by the use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "project," "will," "would" or the negative or plural of these words or similar expressions or variations, although not all forward-looking statements contain these identifying words. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

The forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things:

- the success and timing of our ongoing clinical trials for our lead product candidate, relugolix;
- our plans to develop and commercialize relugolix;
- the anticipated start dates, durations and completion dates of our ongoing and future nonclinical studies and clinical trials;
- the anticipated designs of our future clinical trials;
- anticipated future regulatory submissions and the timing of, and our ability to, obtain and maintain regulatory approvals for our product candidates;
- the rate and degree of market acceptance and clinical utility of any approved product candidate;
- our ability to quickly and efficiently identify and develop product candidates;
- our commercialization, marketing and manufacturing capabilities and strategy;
- continued service of our key scientific or management personnel;
- our ability to obtain, maintain and enforce intellectual property rights for our product candidates;
- our anticipated future cash position, cash burn rate, and access to capital;
- the anticipated receipt of funding under our financing arrangements with Hercules and NovaQuest;
- our estimates regarding our results of operations, financial condition, liquidity, capital requirements, access to capital, prospects, growth and strategies; and
- the success of competing drugs that are or may become available.

We have based these forward-looking statements largely on our current expectations and projections about future events, including the responses we expect to receive from the U.S. Food and Drug Administration, or FDA, and other regulatory authorities and financial trends that we believe may affect our financial condition, results of operations, cash flows, business strategy, nonclinical studies and clinical trials and financing needs. Such forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors known and unknown that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified herein, and those discussed in the section titled "Risk Factors" set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and in our other filings with the SEC. These risks are not exhaustive. You should not rely upon forward-looking statements as predictions of future events. Furthermore, such forward-looking statements speak only as of the date of this report. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Overview

We are a clinical-stage biopharmaceutical company focused on developing and commercializing innovative therapies for women's health and endocrine diseases. Our goal is to be the leading global biopharmaceutical company focused on women's health and endocrine diseases in areas of high unmet medical need. Our lead product candidate is relugolix, an oral, once-daily, small molecule that acts as a gonadotropin-releasing hormone, or GnRH, receptor antagonist. We are advancing relugolix for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain and advanced prostate cancer. In addition, we are developing MVT-602, an oligopeptide kisspeptin agonist, for the treatment of female infertility as part of the hormonal preparation used in assisted reproduction. Both relugolix and MVT-602 were licensed to us by Takeda.

We were incorporated in February 2016 and our operations to date have been limited to organizing and staffing our company, raising capital, acquiring the rights to relugolix and MVT-602, and preparing for and advancing the clinical development of our product candidates. To date, we have not generated any revenue. We have never been profitable, have incurred net losses in each period since inception and do not anticipate that we will achieve profitability in the near term. We expect our net losses and negative cash flows to increase as we continue the clinical development of, and seek regulatory approval for, our product candidates and grow our company.

In November 2016, we completed our initial public offering, or IPO, in which we raised net proceeds of approximately $200.0 million. As of December 31, 2017, and March 31, 2017, we had an accumulated deficit of $180.2 million and $85.1 million, respectively. We recorded net losses of $41.8 million and $8.1 million for the three months ended December 31, 2017 and 2016, respectively, and net losses of $95.0 million and $61.8 million for the nine months ended December 31, 2017 and 2016, respectively. We have determined that we have one operating and reporting segment.

Our Product Candidates

Relugolix

Our lead product candidate, relugolix, is currently being developed for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain, and advanced prostate cancer. As a GnRH receptor antagonist, relugolix has a clinically-validated mechanism of action in each of our three target indications. Lowering estrogen levels decreases heavy menstrual bleeding in women with uterine fibroids and improves the pelvic pain associated with endometriosis. Decreasing testosterone slows the growth and progression of advanced prostate cancer and is the central objective of treatment once the disease has recurred following definitive treatment with prostatectomy or radiation therapy or in men presenting with advanced prostate cancer. Myovant Sciences GmbH, or MSG, our wholly owned subsidiary, holds global commercial rights to relugolix, excluding Japan, China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, and Vietnam, and, in each case, the territories and possessions of each of the foregoing.

Relugolix for the Treatment of Uterine Fibroids

We initiated a Phase 3 clinical program in January 2017, evaluating relugolix in women with heavy menstrual bleeding associated with uterine fibroids. The program consists of two international, replicate pivotal clinical trials (LIBERTY 1 and LIBERTY 2). Each trial randomizes women 1:1:1 to one of three treatment arms: relugolix 40 mg once daily co-administered with commercially available low-dose hormonal add-back therapy for 24 weeks, relugolix 40 mg once daily monotherapy for 12 weeks followed by relugolix 40 mg once daily co-administered with hormonal add-back therapy for an additional 12 weeks, or placebo once daily for a period of 24 weeks. We expect to enroll approximately 390 women in each of the two replicate LIBERTY 1 and LIBERTY 2 trials. Eligible women completing the initial 24-week period will be offered an active treatment extension with relugolix 40 mg once daily co-administered with hormonal add-back therapy for an additional 28-week period, or a total treatment period of 52 weeks, to evaluate the safety of longer-term treatment. We expect to complete enrollment for the LIBERTY 1 and LIBERTY 2 trials during calendar year 2018 and anticipate results from these trials during calendar year 2019.

In October 2017, Takeda reported positive top-line results from its Phase 3 trial in Japan evaluating the efficacy and safety of relugolix compared with leuprorelin for the treatment of heavy menstrual bleeding associated with uterine fibroids. In this trial, relugolix achieved an 82.2% response rate, met the primary endpoint, the proportion of patients achieving a pre-defined reduction in menstrual bleeding, and was observed to be statistically non-inferior to leuprorelin ($p = 0.0013$). Additionally, in November 2017, Takeda reported positive top-line results from its Phase 3 trial in Japan evaluating the efficacy and safety of relugolix for the treatment of pain associated with uterine fibroids. Takeda reported that the primary endpoint was met with 57.6% of women with uterine fibroids treated with relugolix demonstrating a marked improvement in pain symptoms compared to 3.1% of women receiving placebo ($p < 0.0001$). Adverse events in both the studies were consistent with the mechanism of action of relugolix and adverse events observed in previous clinical studies. The Phase 3 data from each of these trials will be available to us, and may be used to support our New Drug Application, or NDA. Takeda plans to submit the data from both of these trials to regulatory authorities in Japan for marketing authorization of relugolix for the treatment of uterine fibroids. We will be solely responsible for obtaining FDA approval for relugolix in the United States.

Relugolix for the Treatment of Endometriosis

We initiated a Phase 3 clinical program in June 2017 consisting of two international, replicate pivotal clinical trials (SPIRIT 1 and SPIRIT 2), evaluating relugolix in women with endometriosis-associated pain. Each trial randomizes women 1:1:1 to one of three treatment arms: relugolix 40 mg once daily co-administered with low-dose hormonal add-back therapy for 24 weeks, relugolix 40 mg once daily monotherapy for 12 weeks followed by relugolix 40 mg once daily co-administered with hormonal add-back therapy for an additional 12 weeks, or placebo once daily for a period of 24 weeks. We expect to enroll approximately 600 women in each of the two replicate SPIRIT 1 and SPIRIT 2 trials. Eligible women completing the initial 24-week period will be offered an active treatment extension with relugolix 40 mg once daily co-administered with hormonal add-back therapy for an additional 28-week period, or a total treatment period of 52 weeks, to evaluate the safety of longer-term treatment. We expect to complete enrollment for the SPIRIT 1 and SPIRIT 2 trials during calendar year 2018 and anticipate results from these trials during calendar year 2019.

Relugolix for the Treatment of Advanced Prostate Cancer

We initiated a Phase 3 clinical trial, the HERO study, in March of 2017, for relugolix in men with advanced prostate cancer. Our Phase 3 HERO trial is enrolling men with advanced prostate cancer who require androgen deprivation therapy and randomizes men to treatment with either oral relugolix 120 mg once daily (after a single oral loading dose of 360 mg) or a depot injection of leuprolide (per national or regional product label) for a period of at least 48 weeks. We expect to enroll approximately 915 men into this trial, with approximately 610 men enrolled into the active treatment arm and 305 men into the leuprolide arm. The decrease in enrollment from 1,125 to 915 reflects a change in the strategy in China. The decrease in enrollment does not affect the statistical powering of the primary endpoint analysis, which has always been based on the first 915 patients enrolled in the HERO trial. We are in discussions with Takeda regarding the strategy for registration of relugolix for prostate cancer in China. Based on FDA discussions, we are only required to conduct one Phase 3 trial with a single relugolix arm to gain approval for relugolix in men with advanced prostate cancer in the United States; however, we have designed the trial to include a second arm with leuprolide to demonstrate that treatment with relugolix is noninferior to leuprolide in achieving sustained suppression of testosterone to castrate levels over 48 weeks, an outcome expected to be required for approval in other major markets. We expect to complete enrollment during calendar year 2018 and anticipate results from this Phase 3 study during calendar year 2019.

MVT-602

MVT-602, our second product candidate, is an oligopeptide kisspeptin agonist. Kisspeptin is a naturally-occurring peptide that stimulates GnRH release and is required for puberty and maintenance of normal reproductive function, including production of sperm, follicular maturation and ovulation, and production of estrogen and progesterone in women and testosterone in men. MSG, our wholly owned subsidiary, holds global commercial rights to MVT-602. In a Phase 1 study in healthy female volunteers conducted in the second half of 2017, a single injection of MVT-602 was observed to cause a dose-dependent luteinizing hormone surge. We intend to conduct additional Phase 1 evaluation of MVT-602 in women to further characterize the pharmacokinetic and pharmacodynamic profile of MVT-602 prior to the expected initiation of a Phase 2 proof-of-concept clinical trial in calendar year 2018. MVT-602 is being developed as a potential treatment for female infertility in women as part of assisted reproduction, such as in vitro fertilization.

Financial Operations Overview

Revenue

We have not generated any revenue, and we do not expect to generate any revenue from the sale of any products unless or until we obtain regulatory approval of and commercialize relugolix, MVT-602 or a potential future product candidate.

Research and Development Expense

Since inception, our operations have primarily been limited to the license of the rights to relugolix and MVT-602, the expansion of our team, and the initiation and ongoing activities of our Phase 3 programs. Our research and development, or R&D, expenses include:

- employee-related expenses, such as salaries, share-based compensation, benefits and travel expenses for our R&D personnel;
- costs allocated to us under the Services Agreements;
- expenses incurred under or in connection with agreements with contract research organizations, or CROs, as well as consultants and other vendors who conduct or participate in clinical trials and nonclinical studies designed to further the development of our product candidates;
- manufacturing and supply costs in connection with conducting nonclinical studies and clinical trials;
- costs for sponsored research; and
- depreciation expense for assets used in R&D activities.

R&D activities will continue to be central to our business model. We expect our R&D expenses to increase significantly in the future as we conduct our Phase 3 programs for relugolix, expand our employee base and increase personnel related expenses, conduct further Phase 1 evaluation in women followed by a Phase 2 proof-of-concept trial for MVT-602 and prepare to seek regulatory approval for our product candidates. Product candidates in later stages of clinical development, such as relugolix, generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect our share-based compensation expense to increase as we continue to increase our number of employees and hire additional senior executives.

The duration, costs and timing of clinical trials of relugolix, MVT-602 and any other product candidates will depend on a variety of factors that include, but are not limited to:

- the number of trials required for approval;
- the per patient trial costs;
- the number of patients who participate in the trials;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time and cost required to recruit and enroll eligible patients;
- the number of patients who fail to meet the study's inclusion and exclusion criteria;
- the number of study drugs that patients receive;
- the drop-out or discontinuation rates of patients;
- the potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient follow-up;
- the timing and receipt of regulatory approvals;
- the costs of clinical trial material; and
- the efficacy and safety profile of the product candidate.

In addition, the probability of success for relugolix, MVT-602 and any other product candidates will depend on numerous factors, including competition, manufacturing capability and commercial viability. As a result, we are unable to determine the duration and completion costs of our programs or when and to what extent we will generate revenue from the commercialization and sale of any of our product candidates. Our R&D activities may be subject to change from time to time as we evaluate our priorities and available resources.

General and Administrative Expense

General and administrative, or G&A, expenses consist primarily of personnel related expenses, share-based compensation, legal and accounting fees, general overhead expenses and costs billed to us under our Services Agreements and consulting services relating to our formation and corporate matters.

We anticipate that our G&A expenses will continue to increase in the future to support the growth of our operations and the costs of operating as a public company. These increases will likely include costs related to the hiring of additional personnel and fees to outside consultants, lawyers, and accountants, expenses related to maintaining compliance with New York Stock Exchange, or NYSE, rules and SEC requirements, and insurance and investor relations costs and information technology costs. We expect our share-based compensation expense to increase as we continue to increase our number of employees and hire additional senior executives. In addition, if relugolix or MVT-602 obtains regulatory approval for marketing, we expect that we would incur expenses associated with building medical affairs, sales and marketing teams.

Results of Operations for the Three and Nine Months Ended December 31, 2017 and 2016

The following table summarizes our results of operations for the three and nine months ended December 31, 2017 and 2016 (in thousands):

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
Operating expenses:				
Research and development (includes $1,041 and $1,060 of share-based compensation expense for the three months ended December 31, 2017 and 2016 and $2,580 and $2,849 for the nine months ended December 31, 2017 and 2016, respectively)	$ 34,875	$ 6,158	$ 76,753	$ 24,484
General and administrative (includes $2,252 and $950 of share-based compensation expense for the three months ended December 31, 2017 and 2016 and $5,663 and $3,932 for the nine months ended December 31, 2017 and 2016, respectively)	6,640	2,898	16,963	8,427
Total operating expenses	41,515	9,056	93,716	32,911
Changes in the fair value of the Takeda warrant liability	—	(1,002)	—	28,815
Interest expense	904	—	904	—
Other income	(429)	—	(225)	—
Income tax (benefit) expense	(213)	29	607	40
Net loss	$ (41,777)	$ (8,083)	$ (95,002)	$ (61,766)

Research and Development Expenses

R&D expenses increased by $28.7 million, to $34.9 million, in the three months ended December 31, 2017 compared to the three months ended December 31, 2016, primarily due to increases in expenses for the ongoing LIBERTY 1 and LIBERTY 2, SPIRIT 1 and SPIRIT 2, and HERO trials. R&D expenses for the three months ended December 31, 2017 consisted primarily of contract research organization, or CRO, clinical drug supply and other study-related costs of $28.4 million, personnel expenses of $3.2 million, share-based compensation expense of $1.0 million, $0.1 million of which was allocated to us by RSL, and costs billed to us under the Services Agreements of $1.9 million, including personnel expenses and third-party costs associated with our ongoing clinical and other research programs. R&D expenses were $6.2 million for the three months ended December 31, 2016, and consisted primarily of costs billed to us under the Services Agreement of $2.3 million, including personnel expenses and third-party costs associated with the initiation of our clinical and other research programs, and share-based compensation expense of $1.1 million, $0.4 million of which was allocated to us by RSL.

R&D expenses increased by $52.3 million, to $76.8 million, in the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016, primarily due to increases in expenses for the ongoing LIBERTY 1 and LIBERTY 2, SPIRIT 1 and SPIRIT 2, and HERO trials. R&D expenses for the nine months ended December 31, 2017 consisted primarily of CRO, clinical drug supply and other study-related costs of $61.9 million, personnel expenses of $8.1 million, share-based compensation expense of $2.5 million, $0.2 million of which was allocated to us by RSL, and costs billed to us under the Services Agreements of $2.8 million, including personnel expenses and third-party costs associated with our ongoing clinical and other research programs. R&D expenses were $24.5 million for the nine months ended December 31, 2016, and consisted primarily of in-process R&D expenses of $13.1 million, which were related to our acquisition of the rights to our product candidates from Takeda and consisted of $7.7 million for the estimated fair value of the 5.1 million common shares issued to Takeda and $5.4 million for the estimated fair value of the warrant liability. The remainder consisted of costs billed to us under the Services Agreement of $5.5 million, including personnel expenses and third-party costs associated with the initiation of our clinical and other research programs and share-based compensation expense of $2.8 million, $1.9 million of which was allocated to us by RSL.

General and Administrative Expenses

G&A expenses increased by $3.7 million, to $6.6 million, in the three months ended December 31, 2017 compared to the three months ended December 31, 2016, primarily due to an increase in employee salaries and benefits and increases in share-based compensation expense resulting from additional headcount to support the growth of our operations. G&A expenses for the three months ended December 31, 2017 consisted primarily of personnel-related and general overhead expenses of $2.7 million, share-based compensation expense of $2.3 million, including $0.2 million allocated to us by RSI and RSL, legal and professional fees of $0.6 million, and costs of $1.0 million billed to us under the Services Agreements, including personnel expenses, overhead allocations and third-party costs. G&A expenses were $2.9 million for the three months ended December 31, 2016, and consisted primarily of share-based compensation expense of $0.9 million, including $0.2 million allocated to us by RSL, other personnel-related and general overhead expenses of $0.9 million, legal and professional fees of $0.7 million and costs of $0.4 million billed to us under the Services Agreement, including personnel expenses, overhead allocations and third-party costs.

G&A expenses increased by $8.6 million, to $17.0 million, in the nine months ended December 31, 2017 compared to the nine months ended December 31, 2016, primarily due to an increase in employee salaries and benefits and increases in share-based compensation expense resulting from additional headcount to support the growth of our operations. G&A expenses for the nine months ended December 31, 2017 consisted primarily of personnel-related and general overhead expenses of $6.9 million, share-based compensation expense of $5.7 million, including $0.5 million allocated to us by RSI and RSL, legal and professional fees of $2.2 million, and costs of $2.2 million billed to us under the Services Agreements, including personnel expenses, overhead allocations and third-party costs. G&A expenses were $8.4 million for the nine months ended December 31, 2016, and consisted primarily of share-based compensation expense of $3.9 million, including $2.6 million allocated to us by RSL, and legal and professional fees of $2.0 million, costs of $1.3 million billed to us under the Services Agreement, including personnel expenses, overhead allocations and third-party costs. The remainder consisted primarily of other personnel-related and general overhead expenses of $1.2 million.

Changes in the Fair Value of the Takeda Warrant Liability

The change in the fair value of the Takeda warrant liability was recorded as zero for the three and nine months ended December 31, 2017, as the fair value of the warrant liability expired to zero in connection with its expiration on April 30, 2017. For the three and nine months ended December 31, 2016, the change in the fair value of the warrant liability was $1.0 million of income and $28.8 million of expense, respectively, which was primarily due to changes in the assumptions regarding probabilities of successful financing events used to estimate the fair value of the liability, offset by the fair value of warrant exercises.

Interest Expense

Interest expense was $0.9 million for the three and nine months ended December 31, 2017, respectively, consisting of interest expense accrued and paid related to the NovaQuest and Hercules financing agreements and the associated amortization of debt discount and issuance costs.

There was no interest expense for the three and nine months ended December 31, 2016.

Liquidity and Capital Resources

Sources of Liquidity

In November 2016, we received net proceeds from our IPO of approximately $200.0 million. In October 2017, we and our subsidiaries, MHL, MSG, MSI, and MSIL, entered into financing arrangements with NovaQuest and Hercules under which we secured flexible financing commitments of up to $140.0 million. See “Note 4—Long-term Debt” to our interim unaudited condensed consolidated financial statements contained herein for a further discussion of these arrangements. We plan to use the net proceeds from both the NovaQuest and Hercules financing arrangements to fund the ongoing Phase 3 development of our lead product candidate, relugolix, for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain, and advanced prostate cancer.

Funding Requirements

We recorded net losses of $41.8 million and $8.1 million for the three months ended December 31, 2017 and 2016, respectively, and net losses of $95.0 million and $61.8 million for the nine months ended December 31, 2017 and 2016, respectively. As of December 31, 2017, we had $235.9 million in cash and committed funding, consisting of $128.9 million of cash and financing commitments totaling $107.0 million available to us from NovaQuest and Hercules.

We expect to continue to incur significant and increasing operating losses and negative cash flows at least for the next several years. We have not generated any revenue to date and do not expect to generate product revenue unless and until we successfully complete development and obtain regulatory approval for relugolix, MVT-602 or any future product candidate. Our net losses and negative cash flows may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our planned clinical trials and our expenditures on other R&D and G&A activities. We anticipate that our capital requirements will increase substantially as we:

- advance our Phase 3 clinical development programs of relugolix for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain, and advanced prostate cancer;
- conduct additional Phase 1 evaluation in women followed by a Phase 2 proof-of-concept trial for MVT-602 for the treatment of female infertility as part of assisted reproduction;
- expand our chemistry, manufacturing, and control and other manufacturing related activities;
- seek to identify, acquire, develop, and commercialize additional product candidates;
- integrate acquired technologies into a comprehensive regulatory and product development strategy;
- maintain, expand, and protect our intellectual property portfolio;
- hire scientific, clinical, regulatory, quality, and administrative personnel;
- add operational, accounting, finance, quality, and management information systems and personnel;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- establish a medical affairs group with a medical scientific liaison team;
- ultimately establish a sales, marketing, and distribution infrastructure and increase the scale of our external manufacturing capabilities to commercialize any product candidates for which we may obtain regulatory approval;
- service debt obligations and payment of interest associated with the NovaQuest and Hercules financing arrangements; and
- operate as a public company.

Our primary use of cash has been and will continue to be to fund the development of relugolix for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain, and advanced prostate cancer. As the competitive environment, particularly for the women's health indications, continues to evolve, the clinical development expenses for these programs are expected to increase. We expect that our existing cash and the financing commitments available to us from NovaQuest and Hercules, will be sufficient to fund our operating expenses and capital expenditure requirements for at least the next 12 months. These funds will not be sufficient to enable us to complete all necessary development and commercially launch relugolix. Accordingly, we will need to obtain further funding through other public or private offerings of our capital shares, debt financing, collaboration and licensing arrangements or other sources. Adequate additional funding may not be available to us on acceptable terms, or at all. If we are unable to raise capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of relugolix or potentially discontinue operations. Because of the numerous risks and uncertainties associated with the development and potential commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays, operating expenditures and capital requirements associated with our current and anticipated product development programs.

Until such time, if ever, as we can generate substantial product revenue from sales of relugolix, MVT-602 or any future product candidate, we expect to finance our cash needs through a combination cash on hand, of equity offerings, debt financings, and potential collaboration, license or development agreements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, our common shareholders' ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our shareholders' rights. Our existing agreements with NovaQuest and Hercules involve, and any agreements for future debt or preferred equity financings, if available, may involve, covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

In addition, if we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our drug development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Cash Flows

The following table sets forth a summary of our cash flows for the nine months ended December 31, 2017 and 2016 (in thousands):

	Nine Months Ended December 31,	
	2017	**2016**
Net cash used in operating activities	$ (82,266)	$ (7,550)
Net cash used in investing activities	$ (375)	$ (369)
Net cash provided by financing activities	$ 30,676	$ 200,241

Operating Activities

For the nine months ended December 31, 2017, $82.3 million was used in operating activities. This was primarily attributable to a net loss for the period of $95.0 million, increases of $2.1 million in other assets and $2.1 million in prepaid expenses and other current assets along with decrease of $1.2 million in accounts payable. These amounts were partially offset by an increase in accrued expenses of $8.8 million, $8.2 million share-based compensation and $0.6 million of total depreciation and amortization expense.

For the nine months ended December 31, 2016, $7.6 million was used in operating activities. The net loss for the period of $61.8 million was partially offset by $13.1 million of non-cash in-process R&D expenses related to the acquisition of the rights to our product candidates, $6.8 million share-based compensation, $28.8 million non-cash changes in the fair value of the warrant liability, $3.3 million allocation of personnel expenses by RSL and RSI associated with the preparation of our clinical and other research programs, the formation of our company and corporate matters, and $2.2 million of other expenses.

Investing Activities

For the nine months ended December 31, 2017 and 2016, $0.4 million was used in investing activities, all for the purchase of furniture and equipment.

Financing Activities

For the nine months ended December 31, 2017, $30.7 million was provided by financing activities. This was primarily due to the net proceeds from debt financings of $28.8 million and net proceeds from the issuance of common shares of $1.9 million.

For the nine months ended December 31, 2016, $200.2 million was provided by financing activities. This was primarily due to the net proceeds of our IPO, which we completed on November 1, 2016.

Contractual Obligations

During the nine months ended December 31, 2017, we entered into the NovaQuest Securities Purchase Agreement, the NovaQuest Equity Purchase Agreement and the Hercules Loan Agreement. See “Note 4—Long-term Debt” to our interim unaudited condensed consolidated financial statements contained herein for a further discussion of these agreements.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules.

Critical Accounting Policies and Significant Judgments and Estimates

Our management’s discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles, or U.S GAAP. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, costs, and expenses during the reporting periods. In accordance with U.S. GAAP, we evaluate our estimates and judgments on an ongoing basis. Significant estimates include assumptions used in the determination of some of our costs incurred under the Services Agreements, which costs are charged to R&D and G&A expense, as well as assumptions used to estimate the fair value of our common shares and stock awards. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We define our critical accounting policies as those under U.S. GAAP that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations, as well as the specific manner in which we apply those principles.

We believe the estimates and judgments involved in estimating the fair value of our warrant liability which expired in April 2017, R&D accruals, share-based compensation and income taxes have the greatest potential impact on our unaudited condensed consolidated financial statements, and consider these to be our critical accounting policies and estimates.

Our significant accounting policies are more fully described in Note 2 to our audited consolidated financial statements included in our Annual Report on Form 10-K. We believe there have been no material changes to our critical accounting policies and use of estimates as disclosed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017, filed with the SEC on June 14, 2017.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2016-02, “*Leases* (Topic 842),” which is a comprehensive new lease standard that amends various aspects of existing accounting guidance for leases. The core principle of ASU No. 2016-02 will require lessees to present the assets and liabilities that arise from leases on their balance sheets. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. We are currently evaluating the new standard and its impact on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-09, “*Compensation - Stock Compensation* (Topic 718): *Improvements to Employee Share-Based Payment Accounting*.” ASU No. 2016-09 makes several modifications to Topic 718 related to the accounting for forfeitures, employer tax withholding on share-based compensation, and the financial statement presentation of excess tax benefits or deficiencies. ASU No. 2016-09 also clarifies the statement of cash flows presentation for certain components of share-based awards. We have adopted this guidance as of April 1, 2017 using a modified retrospective transition method. As a result of the adoption of this standard, we elected to change our policy from estimating forfeitures to recognizing forfeitures when they occur and, as a result, recorded an adjustment of $0.1 million to increase accumulated deficit with a corresponding offset to additional paid-in-capital as of April 1, 2017. The other requirements of ASU No. 2016-09 did not have a material impact on our unaudited condensed consolidated financial statements and related disclosures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and market prices such as interest rates, foreign currency exchange rates, and changes in the market value of equity instruments. As of December 31, 2017, we had cash of $128.9 million, consisting of non-interest-bearing deposits denominated in the U.S. dollar and Swiss franc. We also have certain long-term debt that bears interest at a prime-based variable rate. A 10% change in this interest rate would have an approximate $0.2 million impact on our annual interest expense. We do not believe we are currently exposed to any material market risk.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision of our Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2017, the end of the period covered by this report. The term “disclosure controls and procedures” (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), means controls and other procedures of a company that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2017 at the reasonable assurance level.

(b) Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(c) Inherent Limitations on Effectiveness of Controls

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

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings relating to claims arising from the ordinary course of business. On October 2, 2017, a Consent Order of Dismissal resolving all claims and dismissing with prejudice the previously disclosed litigation involving AbbVie Inc. was signed by all parties and entered by the presiding judge in the Circuit Court of the Nineteenth Judicial Circuit, Lake County, Illinois. The resolution of this matter does not have any material adverse effect on our business, operating results or financial condition. See Part II, Item 1 “Legal Proceedings” of our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2017, filed with the SEC on August 10, 2017, for a prior discussion of this proceeding.

Item 1A. Risk Factors

You should carefully consider the following risk factors, in addition to the other information contained in this Quarterly Report on Form 10-Q, including the section of this report titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed consolidated financial statements and related notes. If any of the events described in the following risk factors and the risks described elsewhere in this Quarterly Report on Form 10-Q occurs, our business, operating results and financial condition could be seriously harmed and the trading price of our common shares could decline and you could lose all or part of your investment in our common shares. This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this report.

Risks Related to Our Business, Financial Position and Capital Requirements

We have a limited operating history and have never generated any product revenue.

We are a clinical-stage biopharmaceutical company with a limited operating history. We were formed in February 2016, and our operations to date have been limited to organizing and staffing our company, acquiring worldwide rights (excluding Japan and certain other Asian countries) to relugolix and worldwide rights to MVT-602, preparing for and advancing our product candidates into clinical development and conducting global clinical trials. We have not yet demonstrated an ability to successfully complete a large-scale, pivotal clinical trial, obtain marketing approval, manufacture a commercial scale product, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, we have no meaningful operations upon which to evaluate our business and predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history or a history of successfully developing and commercializing pharmaceutical products.

Our ability to generate product revenue and become profitable depends upon our ability to successfully complete the development of our product candidates, relugolix, for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain, and advanced prostate cancer, and MVT-602, for the treatment of female infertility as part of assisted reproduction, and obtain the necessary regulatory approvals for their commercialization. We have never been profitable, have no products approved for commercial sale, and have not generated any product revenue.

Even if we receive regulatory approval for relugolix or MVT-602, we do not know when or if relugolix or MVT-602 will generate product revenue. Our ability to generate product revenue depends on a number of factors, including, but not limited to, our ability to:

- successfully complete clinical trials and obtain regulatory approval for the marketing of relugolix and/or MVT-602;
- set an acceptable price for relugolix or MVT-602 and obtain coverage and adequate reimbursement from third-party payors;
- establish sales, marketing, and distribution systems for relugolix or MVT-602;
- add operational, financial and management information systems, and personnel, including personnel to support our clinical, manufacturing and planned future commercialization efforts and operations as a public company;
- initiate and continue relationships with Takeda or other third-party manufacturers and have commercial quantities of relugolix or MVT-602 manufactured at acceptable cost and quality levels;
- attract and retain experienced management and advisory teams;
- achieve broad market acceptance of our products in the medical community and with third-party payors and consumers;
- launch commercial sales of our products, whether alone or in collaboration with others; and
- maintain, expand, and protect our intellectual property portfolio.

Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses, or when or if, we will be able to achieve or maintain profitability. Our expenses could increase beyond expectations if we are required by the FDA or comparable non-U.S. regulatory authorities, to perform studies or clinical trials in addition to those that we currently anticipate. Even if relugolix or MVT-602 is approved for commercial sale, we anticipate incurring significant costs associated with the commercial launch of each product. If we cannot successfully execute any one of the foregoing, our business may not succeed and your investment in our Company will be adversely affected.

We expect to incur significant losses for the foreseeable future and may never achieve or maintain profitability.

Investment in pharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to gain regulatory approval or fail to become commercially viable. We have never generated any product revenue, and we cannot estimate with precision the extent of our future losses. We do not currently have any products that are available for commercial sale and we may never generate product revenue or achieve profitability. Our net loss was $95.0 million for the nine months ended December 31, 2017 and, as of December 31, 2017, we had an accumulated deficit of $180.2 million.

We expect to continue to incur substantial and increasing losses through the projected commercialization of relugolix and MVT-602. Neither relugolix nor MVT-602 has been approved for marketing anywhere in the world, and they may never receive such approval. As a result, we are uncertain when or if we will achieve profitability and, if so, whether we will be able to sustain it. Our ability to generate product revenue and achieve profitability is dependent on our ability to complete the development of relugolix and MVT-602, obtain necessary regulatory approvals, and have relugolix and MVT-602 manufactured and successfully marketed. We cannot assure you that we will be profitable even if we successfully commercialize relugolix or MVT-602. If we do successfully obtain regulatory approval to market relugolix or MVT-602, our revenue will be dependent upon, in part and among other things, the size of the markets in the territories for which we gain regulatory approval, the number of competitors in such markets, the accepted price for relugolix and MVT-602 and whether we own the commercial rights for those territories. If the indication approved by regulatory authorities is narrower than we expect, or the treatment population is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of relugolix or MVT-602, even if approved. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Failure to become and remain profitable may adversely affect the market price of our common shares and our ability to raise capital and continue operations.

We expect our R&D expenses in connection with our development programs for relugolix and MVT-602 to continue to be significant. In addition, as we prepare for and if we obtain regulatory approval for either relugolix or MVT-602, we expect to incur increased sales, marketing and manufacturing expenses. As a result, we expect to continue to incur significant and increasing operating losses and negative cash flows for the foreseeable future. These losses have had and will continue to have an adverse effect on our results of operations, financial position and working capital.

We are heavily dependent on the success of relugolix and MVT-602, our only product candidates, which are still under clinical development, and if either relugolix or MVT-602 does not receive regulatory approval or is not successfully commercialized, our business may be harmed.

We currently have no products that are approved for commercial sale and may never be able to develop marketable products. We expect that a substantial portion of our efforts and expenditures over the next few years will be devoted to the advancement of relugolix and MVT-602 through clinical trials. Accordingly, our business currently depends heavily on the successful development, regulatory approval and commercialization of these product candidates. We cannot be certain that relugolix for either of our targeted women's health indications or for advanced prostate cancer or MVT-602 will receive regulatory approval or be successfully commercialized even if we receive regulatory approval. The research, testing, manufacturing, labeling, approval, sale, marketing and distribution of products are and will remain subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries that each have differing regulations. We are not permitted to market relugolix or MVT-602 in the United States until we receive approval of New Drug Applications, or NDAs, or in any foreign country until we receive the requisite approvals from the appropriate authorities in such countries for marketing authorization. We have not submitted an NDA to the FDA, or any comparable application to any other regulatory authority and do not expect to be in a position to do so for the foreseeable future.

Obtaining approval of an NDA or similar regulatory approval is an extensive, lengthy, expensive and inherently uncertain process, and the FDA or other foreign regulatory authority may delay, limit or deny approval of relugolix or MVT-602 for many reasons, including:

- we may not be able to demonstrate that relugolix or MVT-602 is effective as a treatment for our target indications to the satisfaction of the FDA or other relevant regulatory authorities;
- the relevant regulatory authorities may require additional clinical trials, which would increase our costs and prolong our development timelines;
- the results of our clinical trials may not meet the level of statistical or clinical significance required by the FDA or other relevant regulatory authorities for marketing approval;
- the FDA or other relevant regulatory authorities may disagree with the number, design, size, conduct or implementation of our clinical trials;

- the Contract Research Organizations, or CROs, that we retain to conduct clinical trials may take actions outside of our control, or otherwise commit errors or breaches of protocols, that materially adversely impact our clinical trials and ability to obtain market approvals;
- the FDA or other relevant regulatory authorities may not find the data from nonclinical studies or clinical trials sufficient to demonstrate that the clinical and other benefits of these products outweigh their safety risks;
- the FDA or other relevant regulatory authorities may disagree with our interpretation of data from our nonclinical studies and clinical trials or may require that we conduct additional studies;
- the FDA or other relevant regulatory authorities may not accept data generated from our clinical trial sites;
- if our NDA or other foreign application is reviewed by an advisory committee, the FDA or other relevant regulatory authority, as the case may be, may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our application(s) or may recommend that the FDA or other relevant regulatory authority, as the case may be, require, as a condition of approval, additional nonclinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions;
- the FDA or other relevant regulatory authorities may require development of a risk evaluation and mitigation strategy, or REMS, or its equivalent, as a condition of approval;
- the FDA or other relevant regulatory authorities may find the chemistry, manufacturing and controls data insufficient to support the quality of the product;
- the FDA or other relevant regulatory authorities may identify deficiencies in the manufacturing processes or facilities of our third-party manufacturers; or
- the FDA or other relevant regulatory authorities may change their approval policies or adopt new regulations.

If we are unable to formulate a fixed-dose combination version of relugolix with low-dose estradiol and progestin, the development of relugolix may be delayed and/or its commercial opportunity could be limited.

Relugolix may cause reversible loss of bone mineral density due to the hypoestrogenic state induced by relugolix. This risk, and a related risk of hot flush, are mitigated by the co-administration of low-dose estradiol and progestin as hormonal add-back therapy. A key part of our relugolix clinical development strategy is to formulate a fixed-dose combination of relugolix with low-dose estradiol and progestin add-back therapy to facilitate patient convenience and compliance. If we are unsuccessful in our attempts to formulate a fixed-dose combination in time for the initial application for market authorization, we expect to instead seek approval for relugolix as monotherapy to be co-administered with co-packaged commercially available low-dose estradiol and progestin. This would potentially decrease our advantages relative to our competition by requiring patients to take two pills once daily instead of just one pill once daily. If our competitors develop a fixed-dose combination with hormonal add-back therapy before we do, or if we are unable to do so, then we would be at a competitive disadvantage and this could limit our commercial opportunity. We are not aware of any barriers preventing competitors from developing or achieving regulatory approval of a fixed-dose combination.

We are conducting our Phase 3 clinical trials of relugolix in our target women's health indications with co-administration of relugolix and commercially available low-dose estradiol and progestin products. We intend to conduct bridging studies to support the submission of NDAs or comparable applications for the proposed fixed-dose combination for each of our target women's health indications. Any such bridging study may be unsuccessful or insufficient to support approval of the fixed-dose combination formulation, which would delay and increase the expenses associated with our development program and could limit our commercial opportunity.

The terms of the NovaQuest Securities Purchase Agreement and the Hercules Loan Agreement place restrictions on our operating and financial flexibility.

In October 2017, we and our subsidiaries entered into the NovaQuest Securities Purchase Agreement and the Hercules Loan Agreement. Our obligations under the notes issued pursuant to the NovaQuest Securities Purchase Agreement are secured by a second lien security interest in substantially all of our (and our subsidiaries') assets, other than intellectual property, and our obligations under the Hercules Loan Agreement are secured by a first lien security interest in substantially all of our and our subsidiaries' respective assets, other than intellectual property.

Each of these agreements includes customary affirmative and restrictive covenants and representations and warranties, including a minimum cash covenant. Under the NovaQuest Securities Purchase Agreement, a minimum cash covenant applies commencing on November 1, 2020 (or November 1, 2021 if extended pursuant to the terms of the NovaQuest Securities Purchase Agreement) and under the Hercules Loan Agreement, a minimum cash covenant applies until such time as the Company achieves certain clinical development and financing milestones as set forth in the Hercules Loan Agreement. Other restrictive covenants include limitations on additional indebtedness, liens (including a negative pledge on intellectual property and other assets), investments, distributions (including dividends), transfers, mergers or acquisitions, taxes, corporate changes and deposit accounts. Compliance with these covenants may limit our flexibility in operating our business and our ability to take actions that might be advantageous to us and our shareholders.

Additionally, the NovaQuest Securities Purchase Agreement and the Hercules Loan Agreement each also includes customary events of default, including payment defaults, breaches of covenants following any applicable cure period, cross acceleration to certain debt, certain events relating to bankruptcy or insolvency and certain events relating to United Kingdom or Irish pension plans. Upon the occurrence of an event of default under the NovaQuest Securities Purchase Agreement, a default interest rate of an additional 5.0% will apply to the "Secured Obligations" as defined in the NovaQuest Securities Purchase Agreement, and NovaQuest, as the agent for the holders of the notes, may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the NovaQuest Securities Purchase Agreement. Upon the occurrence of an event of default under the Hercules Loan Agreement, a default interest rate of an additional 5.0% may be applied to the outstanding principal balance, and Hercules may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Hercules Loan Agreement. In addition, upon the occurrence of certain bankruptcy and insolvency events, our obligations under the notes issued pursuant to the NovaQuest Securities Purchase Agreement and our obligations under the Hercules Loan Agreement would automatically become due and payable. We may not have enough available cash or be able to raise additional funds through equity or debt financings to repay these outstanding obligations at the time any event of default occurs. In that case, we may be required to delay, limit, reduce or terminate our clinical development efforts or grant to others rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. NovaQuest and Hercules could also exercise their rights to take possession and dispose of the collateral securing our obligations, which collateral includes all of our and our subsidiaries' respective assets other than intellectual property. Our business, financial condition and results of operations could be substantially harmed as a result of any of these events.

We will require additional capital to fund our operations, and if we fail to obtain necessary financing, we may not be able to complete the development and commercialization of relugolix or MVT-602.

We expect to spend substantial amounts to complete the development of, seek regulatory approvals for and commercialize relugolix and MVT-602. These expenditures will include costs associated with our license agreement with Takeda, pursuant to which we are obligated to cover substantial development costs of relugolix and MVT-602 and make royalty payments in connection with the sale of resulting products, if any.

We will require additional capital to complete the development and potential commercialization of relugolix and MVT-602. Because the length of time and activities associated with successful development of relugolix and MVT-602 are highly uncertain, we are unable to estimate with certainty the actual funds we will require for development and any approved marketing and commercialization activities. Under the terms of our financing agreements with NovaQuest and Hercules, failure of relugolix clinical trials would negatively impact our ability to obtain the financing currently available under the financing agreements. Our future funding requirements, both near and long-term, will depend on many factors, including, but not limited to:

- the initiation, progress, timing, costs and results of our planned and ongoing clinical trials for relugolix and MVT-602;
- the outcome, timing and cost of meeting regulatory requirements established by the FDA and other comparable foreign regulatory authorities;
- the cost of filing, prosecuting, defending and enforcing our patent claims and other intellectual property rights;
- the cost of defending potential intellectual property disputes, including patent infringement actions brought by third parties against us or our products or any future product candidates;
- the effect of competing technological and market developments;
- the cost and timing of completion of commercial-scale manufacturing activities;
- the cost of establishing sales, marketing and distribution capabilities for our products in regions where we choose to commercialize our products on our own; and
- the initiation, progress, timing and results of our commercialization of our product candidates, if approved for commercial sale.

We believe our existing cash and the financing commitments available to us under our agreements with NovaQuest and Hercules will be sufficient for us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. This estimate is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. We cannot be certain that additional capital will be available on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back, or discontinue the development or commercialization of our product candidates or potentially discontinue operations. In addition, attempting to secure additional capital may divert the time and attention of our management from day-to-day activities and harm our product candidate development efforts. Because of the numerous risks and uncertainties associated with the development and potential commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays, operating expenditures and capital requirements associated with our current and anticipated product development programs.

Raising additional funds by issuing securities may cause dilution to existing shareholders, raising additional funds through debt financings may involve restrictive covenants, and raising funds through lending and licensing arrangements may restrict our operations or require us to relinquish proprietary rights.

We expect that significant additional capital will be needed in the future to continue our planned operations. Until such time, if ever, that we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, strategic alliances, and license and development agreements or other collaborations. To the extent that we raise additional capital by issuing equity securities, our existing shareholders' ownership may experience substantial dilution, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of a common shareholder. Our existing agreements with NovaQuest and Hercules involve, and any agreements for future debt or preferred equity financings, if available, may involve, covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise develop and market ourselves.

We rely on agreements with Takeda to provide rights to the core intellectual property relating to our existing product candidates and to supply us with clinical trial material to support development of relugolix. Any termination or loss of significant rights under those agreements would adversely affect our development or commercialization of relugolix and MVT-602.

We have licensed our core intellectual property relating to relugolix and MVT-602 from Takeda. If, for any reason, our license agreement with Takeda is terminated or we otherwise lose those rights, it would adversely affect our business. Our license agreement with Takeda imposes on us obligations relating to exclusivity, territorial rights, development, commercialization, funding, payment, diligence, sublicensing, insurance, intellectual property protection, and other matters. If we breach any material obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages to Takeda and Takeda may have the right to terminate our license, which would result in us being unable to develop, manufacture, and sell relugolix and MVT-602.

Pursuant to our license agreement with Takeda, we and a Takeda affiliate have entered into an agreement for the manufacture and supply of clinical trial material. Under this agreement, we are required to obtain from Takeda's affiliate all of our requirements for relugolix drug substance and drug product to be used under our development plan. The agreement also provides for Takeda's affiliate to reasonably assist us with a technical transfer of the manufacturing process for relugolix to us or our designee for commercial production. If Takeda's affiliate fails to fulfill its obligations under this agreement to manufacture and supply relugolix to us or to enable the transfer of the manufacturing process for relugolix to us or our designee, our development of relugolix could be significantly delayed or otherwise adversely affected.

We currently have a limited number of employees who are employed by our wholly owned subsidiaries and we rely on Roivant Sciences, Inc. and Roivant Sciences GmbH to provide various administrative, business development, and other services.

As of December 31, 2017, we had 71 employees. We rely in part on administrative support, business development, and other services provided by RSI and RSG, wholly owned subsidiaries of RSL, pursuant to our Services Agreements with RSI and RSG, as described above and in our Annual Report on Form 10K for the fiscal year ended March 31, 2017, filed with the SEC on June 14, 2017 under Item 1. Business "Our Key Agreements—Services Agreements with Roivant Sciences, Inc. and Roivant Sciences GmbH." Personnel and support staff who provide services to us under these services agreements are not required to do so, and we do not expect that they will have as their primary responsibility the management and administration of our business or act exclusively for us. Under the Services Agreements, RSI and RSG have the discretion to determine which of their employees will perform services for us.

RSI and RSG have limited finance and accounting and other resources. If either RSI or RSG fails to perform its obligations in accordance with the terms of the Services Agreements or to effectively manage our administrative support, business development or other services, it could be difficult for us to operate our business and our business could be harmed. In the event of a default under or termination of the Services Agreements, we may be unable to contract with substitute service providers on similar terms, in a timely fashion or at all, and the costs of substituting service providers may be substantial. In addition, a substitute service provider may not be able to provide the same level of services due to lack of pre-existing knowledge or synergies. Any termination of our relationship with RSI or RSG and any delay in appointing or finding a suitable replacement provider, if one exists, could make it difficult for us to operate our business.

We may not be able to manage our business effectively if we are unable to attract and retain key personnel.

We may not be able to attract or retain qualified management and commercial, scientific and clinical personnel due to the intense competition for qualified personnel among biotechnology, pharmaceutical, and other businesses. If we are not able to attract and retain necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital, and our ability to implement our business strategies.

Our industry has experienced a high rate of turnover of management personnel in recent years. We are highly dependent on the skills and leadership of our management team and key employees. Our senior management and key employees may terminate their positions with us at any time. If we lose one or more members of our senior management team or key employees, our ability to successfully implement our business strategies could be seriously harmed. Replacing these individuals may be difficult, cause disruption, and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of, and commercialize products successfully. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate additional key personnel. We do not maintain "key person" insurance for any of our executives or other employees.

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

We expect to hire, either directly, through MSI, MSG or through any other current or future subsidiaries of ours, additional employees for our managerial, finance and accounting, clinical, scientific and engineering, regulatory, operational, manufacturing, medical affairs, and sales and marketing teams. We may have difficulties with identifying, hiring, and integrating new personnel. Future growth would impose significant additional responsibilities on our management, including the need to identify, recruit, maintain, motivate, and integrate additional employees, consultants and contractors. Also, our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations across our entities, which may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees, and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of our product candidates. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate or grow revenue could be reduced, and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize relugolix, MVT-602 or any potential future product candidate and compete effectively will depend, in part, on our ability to effectively manage any future growth.

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

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

We are exposed to the risk that our employees and contractors, including principal investigators, consultants, commercial collaborators, service providers, and other vendors, or those of our affiliates, may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or other unauthorized activities that violate the laws and regulations of the FDA or other similar regulatory bodies, including those laws that require the reporting of true, complete, and accurate information to such regulatory bodies; manufacturing and cGMP standards; federal, state and foreign healthcare fraud and abuse laws and data privacy; or laws that require the true, complete, and accurate reporting of financial information or data. In particular, sales, marketing and other business arrangements in the healthcare industry are subject to extensive laws intended to prevent fraud, kickbacks, self-dealing, bribery, corruption, antitrust violations, and other abusive practices. These laws may restrict or prohibit a wide range of business activities, including research, manufacturing, distribution, pricing, discounting, marketing and promotion, sales commission, customer incentive programs, and other business arrangements. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of clinical trials, creating fraudulent data in our nonclinical studies or clinical trials or illegal misappropriation of drug product, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee or third-party misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. Additionally, we are subject to the risk that a person or government agency could allege such fraud or other misconduct, even if none occurred. If our employees, independent contractors, principal investigators, consultants, commercial collaborators, service providers or other vendors, or those of our affiliates, are found to be in violation of any such regulatory standards or requirements, it could have a significant impact on our business and financial results, including the imposition of significant civil, criminal, and administrative penalties, damages, monetary fines, suspension or delay in our clinical trials, possible exclusion from participation in Medicare, Medicaid, and other federal healthcare programs, FDA debarment, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements, and oversight if we become subject to a corporate integrity agreement or similar agreement, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

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

Part of our strategy involves identifying and acquiring or in-licensing novel product candidates. The process by which we identify product candidates may fail to yield product candidates for clinical development for a number of reasons, including those discussed in these risk factors and also:

- the process by which we identify and decide to acquire product candidates may not be successful;
- potential product candidates may, upon further study, be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance; or
- potential product candidates may not be effective in treating their targeted diseases.

We may choose to focus our efforts and resources on a potential product candidate that ultimately proves to be unsuccessful. Further, time and resources spent searching for, identifying, acquiring, and developing potential product candidates may distract management’s attention from our primary business or other development programs. If we are unable to identify and acquire suitable product candidates for clinical development, this would adversely impact our business strategy, our financial position, and share price.

International expansion of our business exposes us to business, legal, regulatory, political, operational, financial, and economic risks associated with conducting business outside of the United States.

Part of our business strategy involves international expansion, including establishing and maintaining operations outside of the United States and establishing and maintaining relationships with health care providers, payors, government officials, distributors and manufacturers globally. Conducting business internationally involves a number of risks, including:

- multiple conflicting and changing laws and regulations such as tax laws, export and import restrictions, employment laws, anti-bribery and anti-corruption laws, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us or our distributors to obtain appropriate licenses or regulatory approvals for the sale or use of our product candidates, if approved, in various countries;

- difficulties in managing foreign operations;
- complexities associated with managing multiple payor-reimbursement regimes or self-pay systems;
- financial risks, such as longer payment cycles, difficulty enforcing contracts and collecting accounts receivable, and exposure to foreign currency exchange rate fluctuations;
- reduced protection for intellectual property rights;
- natural disasters, political, and economic instability, including wars, terrorism, and political unrest, outbreak of disease, boycotts, curtailment of trade, and other business restrictions; and
- failure to comply with the Foreign Corrupt Practices Act, including its books and records provisions and its anti-bribery provisions, the United Kingdom Bribery Act 2010, and similar antibribery and anticorruption laws in other jurisdictions, for example by failing to maintain accurate information and control over sales or distributors' activities.

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

Our business and operations would suffer in the event of system failures.

Our computer systems, as well as those of RSI, RSG and our CROs and other contractors, consultants, and law and accounting firms, may sustain damage from computer viruses, unauthorized access, data breaches, cybercriminals, natural disasters (including hurricanes and earthquakes), terrorism, war, and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our drug development programs. For example, the loss of nonclinical or clinical trial data from completed, ongoing or planned trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. 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 and the further development of relugolix or MVT-602 or any future product candidate could be delayed.

The failure to successfully implement an enterprise resource planning system could adversely impact our business and results of operations.

RSI and RSG commenced the implementation of a company-wide enterprise resource planning, or ERP, system to upgrade certain existing business, operational, and financial processes, of which we rely upon. ERP implementations are complex and time-consuming projects that require transformations of business and financial processes in order to reap the benefits of the ERP system; any such transformation involves risk inherent in the conversion to a new computer system, including loss of information and potential disruption to normal operations. Additionally, if the ERP system is not effectively implemented as planned, or the system does not operate as intended, the effectiveness of our internal controls over financial reporting could be adversely affected or our ability to assess those controls adequately could be delayed. Significant delays in documenting, reviewing and testing our internal control could cause us to fail to comply with our SEC reporting obligations related to our management's assessment of our internal control over financial reporting. In addition, if we experience interruptions in service or operational difficulties and are unable to effectively manage our business during or following the implementation of the ERP, our business and results of operations could be harmed.

Potential product liability lawsuits against us could cause us to incur substantial liabilities and limit commercialization of any products that we may develop.

The use of relugolix and MVT-602 in clinical trials 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, other pharmaceutical companies or others taking or otherwise coming into contact with our products. On occasion, large monetary judgments have been awarded in class action lawsuits where drugs have had unanticipated adverse effects. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation and significant negative media attention;
- withdrawal of participants from our clinical trials;
- significant costs to defend related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- inability to commercialize our products or any future product candidates;

- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- decreased demand for our products or any future product candidate, if approved for commercial sale; and
- loss of revenue.

The product liability insurance we currently carry, and any additional product liability insurance coverage we acquire in the future, may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If we obtain marketing approval for relugolix or MVT-602, we intend to acquire 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. A successful product liability claim or series of claims brought against us could cause our share price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business, including preventing or limiting the commercialization of any product candidates we develop.

Risks Related to Clinical Development, Regulatory Approval and Commercialization

Clinical trials are very expensive, time-consuming, difficult to design and implement, and involve uncertain outcomes.

Our product candidates, relugolix and MVT-602, are still in development and will require extensive clinical testing before we are prepared to submit an NDA or other similar application for regulatory approval. We cannot predict with any certainty if or when we might submit an NDA for regulatory approval for relugolix or MVT-602 in any indication or whether any such application will be approved by the relevant regulatory authorities. Human clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. For instance, the FDA or other regulatory authorities may not agree with our proposed analysis plans for any clinical trials of relugolix or MVT-602, which may delay the approval of an NDA or similar application. The clinical trial process is also time-consuming.

Failures can occur at any stage of clinical trials, and we could encounter problems that cause us to abandon or repeat clinical trials. In addition, results from clinical trials may require further evaluation, delaying the next stage of clinical development or submission of an NDA. For example, promising initial data from our Phase 1 trial of MVT-602 require further evaluation prior to initiation of a Phase 2 clinical trial. Further, product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through nonclinical studies and initial clinical trials. For example, Takeda's Phase 2 trial for relugolix in men with advanced prostate cancer, C27002, did not meet the criteria for success for its primary endpoint specified in the statistical analysis plan, highlighting the importance of appropriate selection of the primary endpoint, powering of a clinical study, and diligent oversight of the treatment compliance of those patients enrolled into the trial. A number of companies in the biopharmaceutical industry have suffered significant setbacks in or the discontinuation of advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Likewise, the results of early clinical trials of relugolix and MVT-602 may not be predictive of the results of our planned development programs, and there can be no assurance that the results of studies conducted by collaborators or other third parties will be viewed favorably or are indicative of our own future study results.

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

- failure to obtain regulatory approval to commence a trial;
- unforeseen safety issues;
- lack of effectiveness during clinical trials;
- determination of dosing issues;
- inability to reach agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- slower than expected rates of patient recruitment or failure to recruit suitable patients to participate in a trial;
- failure to add a sufficient number of clinical trial sites;
- unanticipated impact from changes in or modifications to clinical trial design;
- inability or unwillingness of clinical investigators or study participants to follow our clinical and other applicable protocols;
- premature discontinuation of study participants from clinical trials or missing data;
- failure to manufacture or release sufficient quantities of our product candidates, estradiol and progestin or placebo or failure to obtain sufficient quantities of concomitant medication, that in each case meet our quality standards, for use in clinical trials;
- inability to monitor patients adequately during or after treatment; or
- inappropriate unblinding of study results.

Further, we, the FDA or an institutional review board, or IRB, or other regulatory authority may suspend our clinical trials at any time if it appears that we or our collaborators are failing to conduct a trial in accordance with regulatory requirements, including, the FDA's current Good Clinical Practice (GCP) or Good Manufacturing Practice (GMP) regulations, that we are exposing participants to unacceptable health risks, or if the FDA or other regulatory authority, as the case may be, finds deficiencies in our Investigational New Drug application, or IND, or other submissions or the manner in which the clinical trials are conducted. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If we experience delays in the commencement or completion of our clinical trials, or if we terminate a clinical trial prior to completion, the commercial prospects of relugolix or MVT-602 could be harmed, and our ability to generate product revenue from relugolix or MVT-602 may be delayed. In addition, any delays in our clinical trials could increase our costs, cause a decline in our share price, slow down the approval process, and jeopardize our ability to commence product sales and generate revenue. Any of these occurrences may harm our business, financial condition, and results of operations. In addition, many of the factors that cause or lead to a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

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

In addition, prior to our acquisition of worldwide rights (excluding Japan and certain other Asian countries) to relugolix and worldwide rights to MVT-602, we had no involvement with or control over the nonclinical or clinical development of either relugolix or MVT-602. We are dependent on Takeda having conducted such R&D in accordance with the applicable protocols, legal, regulatory, and scientific standards, having accurately reported the results of all clinical trials and other research conducted prior to our acquisition of the rights to relugolix and MVT-602, having correctly collected and interpreted the data from these trials and other research, and having supplied us with complete information, data sets, and reports required to adequately demonstrate the results reported through the date of our acquisition of these assets. Problems related to predecessors could result in increased costs and delays in the development of our product candidates, which could adversely affect our ability to generate any future revenue from these product candidates.

Reported data or other clinical development announcements by Takeda may adversely affect our clinical development plan.

Takeda is developing relugolix for the treatment of women with uterine fibroid-associated pain and heavy menstrual bleeding in Japan. Takeda recently reported positive top-line results from its two Phase 3 clinical trials in Japan in women with uterine fibroids and is expected to file for approval with Japan's Pharmaceutical and Medical Devices Agency. Favorable announcements by Takeda regarding these trials do not guarantee that the results of our clinical trials will also be favorable as the designs of our Phase 3 clinical trials differ from those of Takeda. Further, if subsequent announcements by Takeda regarding its development of relugolix are unfavorable, it could negatively impact our clinical development plans for relugolix.

The results of our clinical trials may not support our proposed claims for relugolix or MVT-602.

Even if our clinical trials are completed as planned, we cannot be certain that their results will support the effectiveness or safety of relugolix or MVT-602. Success in nonclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and we cannot be sure that the results of later clinical trials will replicate the results of prior clinical trials and nonclinical testing. Likewise, promising results in interim analyses or other preliminary analyses do not ensure that the clinical trial as a whole will be successful. A number of companies in the pharmaceutical industry, including biotechnology companies, have suffered significant setbacks in clinical trials, even after promising results in earlier nonclinical or clinical studies. These setbacks have been caused by, among other things, nonclinical findings made while clinical studies were underway and safety or efficacy observations made in clinical studies, including previously unreported adverse events. The results of nonclinical and early clinical studies of our product candidates may not be predictive of the results of later-stage nonclinical studies or clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through nonclinical and initial clinical trials. A future failure of a clinical trial to meet its predetermined endpoints would likely cause us to abandon a product candidate and may delay development of any other product candidates. Any delay in, or termination of, our clinical trials will delay the submission of our NDAs to the FDA or other similar applications with other relevant foreign regulatory authorities and, ultimately, our ability to commercialize relugolix and MVT-602 and generate product revenue.

Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be made more difficult or rendered impossible by multiple factors outside our control.

We may encounter delays in enrolling, or be unable to enroll, a sufficient number of patients to complete any of our clinical trials on our current timelines, or at all, and even once enrolled we may be unable to retain a sufficient number of patients to complete any of our trials. Enrollment in our clinical trials may be slower than we anticipated, leading to delays in our development timelines. Patient enrollment and retention in clinical trials depends on many factors, including the size of the patient population, the nature of the trial protocol, our ability to recruit clinical trial investigators with the appropriate competencies and experience, the existing body of safety and efficacy data with respect to the study drug, the number and nature of competing treatments and ongoing clinical trials of competing drugs for the same indication, the proximity of patients to clinical sites, the eligibility criteria for the study and the proportion of patients screened that meets those criteria, our ability to obtain and maintain patient consents, and the risk that patients enrolled in clinical trials will drop out of the trials before completion. Furthermore, any negative results we or Takeda may report in clinical trials of our product candidate may make it difficult or impossible to recruit and retain patients in other clinical trials of that same product candidate. Similarly, negative results reported by our competitors about their drug candidates may negatively affect patient recruitment in our clinical trials. Also, marketing authorization of competitors in this same class of drugs may impair our ability to enroll patients into our clinical studies, delaying or potentially preventing us from completing recruitment of one or more of our studies. Delays or failures in planned patient enrollment or retention may result in increased costs, program delays or both, which could have a harmful effect on our ability to develop relugolix and MVT-602, or could render further development impossible. In addition, we expect to rely on CROs and clinical trial sites to ensure proper and timely conduct of our future clinical trials and, while we intend to enter into agreements governing their services, we will be limited in our ability to compel their actual performance.

We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.

Drug development is highly competitive and subject to rapid and significant technological advancements. As a significant unmet medical need exists for the treatment of each of uterine fibroids, endometriosis, and advanced prostate cancer, as well as infertility in women, there are several large and small pharmaceutical companies focused on delivering therapeutics for the treatment of these indications. Further, it is likely that additional drugs will become available in the future for the treatment of each of our target indications.

We are aware of several companies that are working to develop drugs that would compete against relugolix for the treatment of heavy menstrual bleeding associated with uterine fibroids, endometriosis-associated pain, and/or advanced prostate cancer and against MVT-602 for the treatment of female infertility as part of assisted reproduction. For example, AbbVie in conjunction with Neurocrine Biosciences, is developing a GnRH receptor antagonist, elagolix, as an oral treatment for endometriosis-associated pain and for heavy menstrual bleeding associated with uterine fibroids. AbbVie has completed two Phase 3 trials for elagolix in women with endometriosis-associated pain and filed an NDA in September 2017. In October 2017, AbbVie announced that the FDA granted priority review for elagolix for the management of endometriosis with associated pain and expects that the Prescription Drug User Fee Act date for the FDA to complete its review will be in the second quarter of 2018. AbbVie also initiated a Phase 3 program evaluating elagolix with and without hormonal add-back therapy in women with heavy menstrual bleeding associated with uterine fibroids, and AbbVie commenced a Phase 3b trial of elagolix in combination with hormonal add-back therapy in women with pain associated with endometriosis in 2017. In addition, ObsEva SA, a Swiss-based clinical stage biopharmaceutical company, which completed its Initial Public Offering in January 2017, reported the commencement of two Phase 3 clinical trials of OBE2109, also an oral GnRH receptor antagonist, in women with heavy menstrual bleeding associated with uterine fibroids in the first half of 2017. In January 2017, Allergan and Gedeon Richter announced positive results from the second of two pivotal Phase 3 clinical trials evaluating the efficacy and safety of ulipristal acetate, a selective progesterone receptor modulator, in women with abnormal bleeding due to uterine fibroids. The FDA accepted the filing of their NDA submission for this indication in October 2017. Other GnRH receptor antagonists and selective progesterone receptor modulators are also in development, including vilaprisan, for which Bayer recently initiated a head-to-head study of vilaprisan compared with ulipristal acetate in women with heavy menstrual bleeding due to uterine fibroids and a long-term safety study of vilaprisan compared with standard of care. Many of our existing or potential competitors have substantially greater financial, technical, and human resources than we do and significantly greater experience in the discovery and development of product candidates, as well as in obtaining regulatory approvals of those product candidates in the United States and in foreign countries. Many of our current and potential future competitors also have significantly more experience commercializing drugs that have been approved for marketing. Mergers and acquisitions in the pharmaceutical and biotechnology industries could result in even more resources being concentrated among a smaller number of our competitors. Competition may reduce the number and types of patients available to us to participate in clinical trials, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors.

Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors may succeed in developing, acquiring or licensing, on an exclusive basis, drugs that are more effective or less costly than any product candidate that we may develop.

We will face competition from other drugs currently approved or that will be approved in the future for the treatment of uterine fibroids, endometriosis, and advanced prostate cancer, as well as infertility in females. Therefore, our ability to compete successfully will depend largely on our ability to:

- develop and commercialize medicines that are superior to other products in the market;
- demonstrate through our clinical trials that relugolix or MVT-602 are differentiated from existing and future therapies;
- attract qualified scientific, product development, and commercial personnel;
- obtain patent or other proprietary protection for our medicines;
- obtain required regulatory approvals;
- obtain coverage and adequate reimbursement from, and negotiate competitive pricing with, third-party payors; and
- successfully collaborate with pharmaceutical companies in the discovery, development, and commercialization of new medicines.

The availability of our competitors' products could limit the demand and the price we are able to charge for any product candidate we develop. The inability to compete with existing or subsequently introduced drugs would have an adverse impact on our business, financial condition and prospects.

Established pharmaceutical companies may invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make relugolix or MVT-602 less competitive. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability and safety in order to overcome price competition and to be commercially successful. Accordingly, our competitors may succeed in obtaining patent protection, discovering, developing, receiving FDA or other regulatory authority approval for or commercializing medicines before we do, which would have an adverse impact on our business and results of operations.

If we are not able to obtain required regulatory approvals, we will not be able to commercialize relugolix or MVT-602, and our ability to generate product revenue will be materially impaired.

Relugolix and MVT-602 and the activities associated with their development and commercialization, including their design, research, testing, manufacture, safety, efficacy, recordkeeping, labeling, packaging, storage, approval, advertising, promotion, sale, and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by similar regulatory authorities outside the United States. Failure to obtain marketing approval for relugolix and MVT-602 will prevent us from commercializing them.

We have not received approval from regulatory authorities to market any product candidate in any jurisdiction, and it is possible that neither relugolix, MVT-602 nor any product candidates we may seek to develop in the future will ever obtain the appropriate regulatory approvals necessary for us to commence product sales. Neither we nor Takeda, nor any future collaborator is permitted to market any of our product candidates in the United States or any other jurisdiction until we receive regulatory approval of an NDA from the FDA or similar regulatory authorities outside of the United States.

The time required to obtain approval of an NDA by the FDA or similar regulatory authorities outside of the United States is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authority. Prior to submitting an NDA to the FDA or any comparable application to any other foreign regulatory authorities for approval of relugolix, we will need to complete our ongoing Phase 3 programs for relugolix, and for approval of MVT-602, we will need to complete additional Phase 1 testing, and Phase 2 and Phase 3 clinical trials. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions.

Securing marketing approvals requires the submission of extensive nonclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the safety and efficacy of relugolix and MVT-602 for the specified indication. Further, because we are exploring the use of relugolix co-administered with low-dose hormonal add-back therapy as a longer-term therapy (i.e., greater than 6 months) for the treatment of heavy menstrual bleeding associated with uterine fibroids and for the treatment of endometriosis-associated pain, we expect to be required to submit data on a patient population followed for at least one year. We expect to rely on third-party CROs and consultants to assist us in filing and supporting the applications necessary to gain marketing approvals. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. Delays or errors in the submission of applications for marketing approval or issues, including those related to gathering the appropriate data and the inspection process, may ultimately delay or affect our ability to obtain regulatory approval, commercialize our product candidates, and generate product revenue.

Relugolix and MVT-602 may cause adverse effects or have other properties that could delay or prevent their regulatory approval or limit the scope of any approved label or market acceptance.

Adverse events associated with relugolix or MVT-602 could cause us, other reviewing entities, clinical trial sites or regulatory authorities to interrupt, delay or halt clinical trials and could result in the denial of regulatory approval. If an unacceptable frequency or severity of adverse events are reported in our clinical trials for relugolix or MVT-602 or any future product candidates, our ability to obtain regulatory approval for such product candidates may be negatively impacted. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. Any of these occurrences may harm our business, financial condition and prospects.

Furthermore, concern has been raised by the FDA about a potential increase in the risk of diabetes and certain cardiovascular diseases in men with prostate cancer treated with GnRH agonists.

If any of our product candidates are approved and then cause serious or unexpected side effects, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the product or require a REMS (or equivalent outside the United States) to impose restrictions on its distribution or other risk management measures;
- we may be required to recall a product;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as warnings or contraindications;
- we may be required to change the way the product is administered or to conduct additional clinical trials;
- we may be required to repeat a preclinical study or clinical trial or terminate a program, even if other studies or trials related to the program are ongoing or have been successfully completed;
- we could be sued and held liable for harm caused to patients;
- we could elect to discontinue the sale of our product;
- the product may become less competitive; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected product candidate and could substantially increase the costs of commercializing relugolix or MVT-602.

The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time consuming, and inherently unpredictable, and even if we obtain approval for a product candidate in one country or jurisdiction, we may never obtain approval for or commercialize it in any other jurisdiction which would limit our ability to realize our full market potential.

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

Even if we obtain regulatory approval for our product candidates, we will still face extensive regulatory requirements and our products may face future development and regulatory difficulties.

Any product candidate for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, packaging, distribution, adverse event reporting, storage, recordkeeping, export, import, advertising, and promotional activities for such product, among other things, will be subject to extensive and ongoing requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, establishment of registration and drug listing requirements, continued compliance with current Good Manufacturing Practice, or GMP, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of drug product samples to physicians, recordkeeping, and current Good Clinical Practice, or GCP, requirements for any clinical trials that we conduct post-approval. Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval or the FDA or other regulatory authorities may require that contraindications, warnings or precautions—including in some cases, a boxed warning—be included in the product labeling. If relugolix or MVT-602 receives marketing approval, the accompanying label may limit the approved use of our product, which could limit sales of the product.

Regulatory authorities closely regulate the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. Regulatory authorities impose stringent restrictions on manufacturers' communications regarding off-label use, and if we do not market our products for their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the Federal Food, Drug, and Cosmetic Act in the United States, and other comparable regulations in foreign jurisdictions, relating to the promotion of prescription drugs may lead to enforcement actions and investigations by the FDA, Department of Justice, State Attorney Generals and other foreign regulatory agencies alleging violations of United States federal and state health care fraud and abuse laws, as well as state consumer protection laws and comparable laws in foreign jurisdictions.

In addition, later discovery of previously unknown adverse events or other problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements may yield various results, including:

- restrictions on the manufacture of such products;
- restrictions on the labeling or marketing of such products;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- requirement of a REMS (or equivalent outside the United States);
- Warning or Untitled Letters;
- withdrawal of the products from the market;

- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of such products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

The FDA and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of relugolix or MVT-602 or any future product candidate. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or to the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained.

Even if one of our product candidates receives marketing approval, it may fail to achieve market acceptance by physicians, patients, third-party payors or others in the medical community necessary for commercial success.

Even if one of our product candidates receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. If it does not achieve an adequate level of acceptance, we may not generate significant product revenue or become profitable. The degree of market acceptance of a product candidate, if approved for commercial sale, will depend on a number of factors, including but not limited to:

- the efficacy and potential advantages compared to alternative treatments;
- the prevalence and severity of any side effects;
- the content of the approved product label;
- the effectiveness of sales and marketing efforts;
- the cost of treatment in relation to alternative treatments, including any similar generic treatments;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- the availability of third-party coverage and adequate reimbursement; and
- any restrictions on the use of our product together with other medications.

Because we expect sales of relugolix and MVT-602, if approved, to generate substantially all of our product revenue for the foreseeable future, the failure of these product candidates to find market acceptance would harm our business and could require us to seek additional financing.

If we are unable to establish sales, marketing, and distribution capabilities, either on our own or in collaboration with third parties, we may not be successful in commercializing our product candidates, if approved.

We do not currently have any infrastructure for the sales, marketing, or distribution of our products, and the cost of establishing and maintaining such an organization may exceed the cost-effectiveness of doing so. In order to market any product that may be approved, we must build our sales, distribution, marketing, managerial, and other nontechnical capabilities or make arrangements with third parties to perform these services. To achieve commercial success for any product for which we obtain marketing approval, we will need a sales and marketing organization.

We expect to build a focused sales, distribution, and marketing infrastructure to market our product candidates in the United States, if approved. There are significant expenses and risks involved with establishing our own sales, marketing, and distribution capabilities, including our ability to hire, retain, and appropriately incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel, and effectively manage geographically dispersed sales and marketing teams. Any failure or delay in the development of our internal sales, marketing, and distribution capabilities could delay any product launch, which would adversely impact its commercialization. For example, if the commercial launch of relugolix or MVT-602, if approved, for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our products on our own include:

- our inability to recruit, train, and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or attain adequate numbers of physicians to prescribe any drugs;
- the inability to negotiate with payors regarding reimbursement for our products; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

We do not anticipate having the resources in the foreseeable future to allocate to the sales and marketing of our product candidates in certain markets overseas. Therefore, our future success will depend, in part, on our ability to enter into and maintain collaborative relationships for such capabilities, the collaborator's strategic interest in our products, and such collaborator's ability to successfully market and sell the products. We intend to pursue collaborative arrangements regarding the sales and marketing of our product candidates, if approved, for certain markets overseas; however, we cannot assure you that we will be able to establish or maintain such collaborative arrangements, or if able to do so, that they will have effective sales forces. To the extent that we depend on third parties for marketing and distribution, any revenue we receive will depend upon the efforts of such third parties, and there can be no assurance that such efforts will be successful.

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

If we are unable to establish adequate sales, marketing, and distribution capabilities, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates and may not become profitable. We will be competing with many companies that currently have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

If we obtain approval to commercialize any products outside of the United States, a variety of risks associated with international operations could materially adversely affect our business.

If either relugolix or MVT-602 is approved for commercialization outside of the United States, we intend to enter into agreements with third parties to market these products in certain jurisdictions. We expect that we will be subject to additional risks related to international operations or entering into international business relationships, including:

- different regulatory requirements for drug approvals and rules governing drug commercialization in foreign countries;
- reduced or no protection of intellectual property rights;
- unexpected changes in tariffs, trade barriers, and regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign reimbursement, pricing, and insurance regimes;
- foreign taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential noncompliance with the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, or similar antibribery and anticorruption laws in other jurisdictions;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods, and fires.

We have no prior experience in these countries, and many biopharmaceutical companies have found the process of marketing their products in foreign countries to be very challenging.

Our current and future relationships with investigators, health care professionals, consultants, third-party payors, and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient support, charitable organizations and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws regulate the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell, and distribute our products for which we obtain marketing approval. Such laws include, among others:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it to have committed a violation; in addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the federal false claims laws, including the False Claims Act, which imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or knowingly making or causing to be made, a false statement to avoid, decrease or conceal an obligation to pay money to the federal government; in addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or making false or fraudulent statements relating to healthcare matters; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their implementing regulations, which also impose obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information on health plans, health care clearing houses, and most providers and their business associates, defined as independent contractors or agents of covered entities that create, receive or obtain protected health information in connection with providing a service for or on behalf of a covered entity;
- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the government information related to payments or other "transfers of value" made to physicians and teaching hospitals, and requires applicable manufacturers and group purchasing organizations to report annually to the government ownership and investment interests held by the physicians described above and their immediate family members and payments or other "transfers of value" to such physician owners (covered manufacturers are required to submit reports to the government by the 90th day of each calendar year); and
- analogous state and foreign laws and regulations, such as state antikickback and false claims laws, which may apply to our business practices, including but not limited to, research, distribution, sales, and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third party payors, including private insurers, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; and state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, and state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and state and foreign laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

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

Recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval for and commercialize relugolix or MVT-602 and affect the prices we may obtain.

In the United States and some foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could, among other things, prevent or delay marketing approval of relugolix or MVT-602, restrict or regulate post-approval activities, and affect our ability to profitably sell any products for which we obtain marketing approval.

For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively the Affordable Care Act, was enacted to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for health care and health insurance industries, impose new taxes and fees on the healthcare industry, and impose additional healthcare policy reforms. The law has continued the downward pressure on pharmaceutical pricing, especially under the Medicare program, and increased the industry's regulatory burdens and operating costs. Among the provisions of the Affordable Care Act of importance to our potential product candidates are the following:

- an annual, nondeductible fee payable by any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries under their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to individuals enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs in certain states;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

We cannot predict the full impact of the Affordable Care Act on pharmaceutical companies, as many of the reforms require the promulgation of detailed regulations implementing the statutory provisions, some of which have not yet fully occurred. For example, in January 2016, the Centers for Medicare and Medicaid Services issued a final rule regarding the Medicaid Drug Rebate Program, effective April 1, 2016, that, among other things, revises the manner in which the "average manufacturer price" is to be calculated by manufacturers participating in the program and implements certain amendments to the Medicaid rebate statute created under the Affordable Care Act. Further, there have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future. In January 2017, the President of the United States signed an Executive Order directing federal agencies with authorities and responsibilities under the Affordable Care Act to waive, defer, grant exemptions from, or delay the implementation of any provision of the Affordable Care Act that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. The U.S. House of Representatives passed legislation known as the American Health Care Act of 2017 in May 2017. More recently, the Senate Republicans released and then updated a bill to replace the Affordable Care Act known as the Better Care Reconciliation Act of 2017. The Senate Republicans also introduced legislation to repeal the Affordable Care Act without companion legislation to replace it, and a "skinny" version of the Better Care Reconciliation Act of 2017. Each of these measures was rejected by the full Senate. Congress will likely consider other legislation to replace elements of the Affordable Care Act. We continue to evaluate the effect that the Affordable Care Act and its possible repeal and replacement has on our business.

Other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, in August 2011, the President of the United States signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee did not achieve a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reduction to several government programs. This included further reductions to Medicare payments to providers of 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments to the statute, will stay in effect through 2025 unless additional Congressional action is taken. Additionally, in January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several types of providers and increased the statute of limitations period in which the government may recover overpayments to providers from three to five years. Further, there have been several recent United States Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the out-of-pocket cost of prescription drugs, and reform government program reimbursement methodologies for drugs.

Moreover, the Drug Supply Chain Security Act, which was enacted in 2012 as part of the Food and Drug Administration Safety and Innovation Act, imposes new obligations on manufacturers of pharmaceutical products related to product tracking and tracing. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We are not sure whether additional legislative changes will be enacted, or whether the current regulations, guidance or interpretations will be changed, or what the impact of such changes on our business, if any, may be. In addition, increased scrutiny by the United States Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

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

Market acceptance and sales of any approved product that we develop 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, including government health administration authorities and private health insurers. In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. Third-party payors decide which drugs they will pay for and establish reimbursement levels. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided for any product candidates that we develop through approval will be made on a plan-by-plan basis. One payor's determination to provide coverage for a product does not assure that other payors will also provide coverage, and adequate reimbursement, for the product. Additionally, a third-party payor's decision to provide coverage for a drug does not imply that an adequate reimbursement rate will be approved. Each plan determines whether or not it will provide coverage for a drug, what amount it will pay the manufacturer for the drug, on what tier of its formulary the drug will be placed, and whether to require step therapy. The position of a drug on a formulary generally determines the co-payment that a patient will need to make to obtain the drug and can strongly influence the adoption of a drug by patients and physicians. Patients who are prescribed treatments for their conditions and providers prescribing such services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our products.

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

Additionally, there have been a number of legislative and regulatory proposals to change the healthcare system in the United States and in some foreign jurisdictions that could affect our ability to sell any future drugs profitably. These legislative and regulatory changes may negatively impact the reimbursement for any future drugs, if approved.

Risks Related to Our Dependence on Third Parties

We do not have our own manufacturing capabilities and will rely on Takeda and its affiliates and other third parties to produce clinical and commercial supplies of relugolix and MVT-602 and any future product candidate.

We do not own or operate, and we do not expect to own or operate, facilities for product manufacturing, storage and distribution, or testing. While relugolix and MVT-602 were being developed by Takeda, they were also being manufactured by Takeda and third-party contract manufacturing organizations. Takeda has retained rights to further develop and commercialize relugolix in Japan and certain other Asian countries, and Takeda is continuing to develop relugolix in Japan. In April 2016, we acquired exclusive worldwide rights to MVT-602 for all human diseases and conditions. Takeda is no longer developing this compound. We expect that manufacturing support provided by Takeda will be sufficient for us to complete our ongoing Phase 3 programs for relugolix. We expect that the MVT-602 drug substance transferred from Takeda to us under the terms of our license agreement with Takeda will be sufficient for our near-term development plans. However, additional process development and manufacturing would be required in order for us to complete Phase 2 and 3 clinical studies for MVT-602. However, the drug substance transferred from Takeda may not meet our quality standards and may be disqualified from use in our planned clinical programs. Third-party vendors may be difficult to identify for MVT-602 process and formulation development and manufacturing due to special capabilities required and they may not be able to meet our quality standards. Further, we are dependent on third parties to help formulate and manufacture a fixed-dose combination of relugolix and low-dose estradiol and progestin. Any significant delay in the supply of a product candidate, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a third-party manufacturer could considerably delay completion of our clinical trials, product testing, and potential regulatory approval of our product candidates. If our manufacturers or we are unable to purchase these raw materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenue from the sale of our product candidates.

Both relugolix and MVT-602 are potent hormonal therapies and therefore require specialized manufacturing facilities. Depending on actual commercial demand, additional third-party manufacturing facilities will have to be established to meet the demand through technology transfer, process validation and regulatory approval before product manufactured at the new facilities can be marketed. Any delay in the technology transfer and process validation could limit adequate supply to meet our commercial demand.

We also will rely on Takeda or other third-party manufacturers to supply us with sufficient quantities of relugolix and MVT-602 to be used, if approved, for the commercialization of each. The facilities used by Takeda and our contract manufacturers to manufacture our product candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit our NDA to the FDA. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with current GMP requirements for manufacture of drug products. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable foreign regulatory authorities, they will not be able to secure or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance, and qualified personnel. If the FDA or comparable foreign regulatory authorities do not approve these facilities for the manufacture of our product candidates or if they withdraw any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Further, our reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured product candidates ourselves, including:

- delay or inability to design a fixed-dose combination product of relugolix and low-dose estradiol and progestin;
- failure of the drug substance transferred from Takeda to meet our product specifications and quality requirements;
- inability to meet our product specifications and quality requirements consistently;
- delay or inability to procure or expand sufficient manufacturing capacity;
- manufacturing and product quality issues related to scale-up of manufacturing;
- costs and validation of new equipment and facilities required for scale-up;
- failure to comply with applicable laws, regulations, and standards, including current GMP and similar foreign standards;
- deficient or improper record-keeping;
- inability to negotiate manufacturing agreements with third parties under commercially reasonable terms;
- termination or nonrenewal of manufacturing agreements with third parties in a manner or at a time that is costly or damaging to us;

- reliance on a limited number of sources, and in some cases, single sources for product components, such that if we are unable to secure a sufficient supply of these product components, we will be unable to manufacture and sell relugolix, a fixed-dose combination product or co-packaging of relugolix and low-dose estradiol and progestin, or MVT-602, if approved, or any future product candidate in a timely fashion, in sufficient quantities or under acceptable terms;
- lack of qualified backup suppliers for those components that are currently purchased from a sole or single source supplier;
- operations of our third-party manufacturers or suppliers could be disrupted by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier or other regulatory sanctions related to the manufacture of another company's products;
- carrier disruptions or increased costs that are beyond our control; and
- failure to deliver our products under specified storage conditions and in a timely manner.

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

We are reliant on third parties to conduct, supervise, and monitor our clinical trials, and if those third parties perform in an unsatisfactory manner, it may harm our business.

We currently do not have the ability to independently conduct nonclinical studies that comply with Good Laboratory Practice, or GLP, requirements. We also do not currently have the ability to independently conduct any clinical trials. We rely exclusively on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials, and we have limited influence over their actual performance.

We rely upon CROs to monitor and manage data for our clinical programs, as well as for the execution of nonclinical studies. We control only certain aspects of our CROs' activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory, and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities.

We and our CROs are required to comply with current GLP and GCP regulations and guidelines enforced by the FDA and are also required by the competent authorities of the member states of the European Economic Area and comparable foreign regulatory authorities to comply with the International Council for Harmonization guidelines for any of our product candidates that are in nonclinical and clinical development, respectively. The regulatory authorities enforce GCP regulations through periodic inspections of trial sponsors, principal investigators, and clinical trial sites. Although we rely on CROs to conduct our GLP-compliant nonclinical studies and GCP-compliant clinical trials, we remain responsible for ensuring that each of our GLP nonclinical studies and GCP clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and our reliance on the CROs does not relieve us of our regulatory responsibilities. If we or our CROs fail to comply with current GCP requirements, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may reject our marketing applications or require us to perform additional clinical trials before approving our marketing applications. Accordingly, if we or our CROs fail to comply with these regulations or other applicable laws, regulations or standards, or fail to recruit a sufficient number of subjects, we may be required to repeat clinical trials, which would delay the relevant regulatory approval process. Failure by our CROs to properly execute study protocols in accordance with applicable law could also create product liability and healthcare regulatory risks for us as sponsors of those studies.

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

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

Risks Related to Our Intellectual Property

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

We rely upon a combination of patents, trademarks, trade secret protection, and confidentiality agreements to protect the intellectual property related to our drug development programs and product candidates. Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to relugolix, MVT-602, and any future product candidates. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our development programs and product candidates. The patent prosecution process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner.

The patents and patent applications that we own or in-license may fail to result in issued patents with claims that protect relugolix, MVT-602 or any future product candidate in the United States or in other foreign countries. There is no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found, which can prevent a patent from issuing from a pending patent application, or be used to invalidate a patent. Even if patents do successfully issue and even if such patents cover relugolix, MVT-602 or any future product candidate, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowed, invalidated or held unenforceable. Any successful opposition to these patents or any other patents owned by or licensed to us could deprive us of rights necessary for the successful commercialization of any product candidates or companion diagnostic that we may develop. Further, if we encounter delays in regulatory approvals, the period of time during which we could market a product candidate under patent protection could be reduced.

If the patent applications we hold or have in-licensed with respect to our development programs and product candidates fail to issue, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity for relugolix, MVT-602 or any future product candidate, it could dissuade companies from collaborating with us to develop product candidates, and threaten our ability to commercialize, future drugs. Any such outcome could have a materially adverse effect on our business.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has in recent years been the subject of much litigation. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. For example, European patent law restricts the patentability of methods of treatment of the human body more than United States law does. Publications of discoveries in scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act made a number of significant changes to United States patent laws. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have an adverse effect on our business and financial condition.

Moreover, we may be subject to a third-party pre-issuance submission of prior art to the USPTO or become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Moreover, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Without patent protection for our current or future product candidates, we may be open to competition from generic versions of such products. Given the amount of time required for the development, testing, and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If we fail to comply with our obligations under any license, collaboration or other agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing and protecting our product candidates.

We have licensed certain intellectual property rights covering our current product candidates from Takeda. If, for any reason, our license agreement with Takeda is terminated or we otherwise lose those rights, it could adversely affect our business. Our license agreement with Takeda imposes, and any future collaboration agreements or license agreements we enter into are likely to impose various development, commercialization, funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement or other obligations on us. If we breach any material obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages and the licensor may have the right to terminate the license, which could result in us being unable to develop, manufacture, and sell products that are covered by the licensed technology or enable a competitor to gain access to the licensed technology.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for noncompliance with these requirements.

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and other foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign national or international patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of patent rights include, but are not limited to, failure to timely file national and regional stage patent applications based on our international patent application, failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. If we or our licensors fail to maintain the patents and patent applications covering relugolix, MVT-602 or any future product candidate, our competitors might be able to enter the market, which would have an adverse effect on our business.

Third party claims or litigation alleging infringement of patents or other proprietary rights, or seeking to invalidate patents or other proprietary rights, may delay or prevent the development and commercialization of relugolix, MVT-602, and any future product candidate.

Our commercial success depends in part on our avoiding infringement and other violations of the patents and proprietary rights of third parties. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, derivation, and administrative law proceedings, inter partes review, and post-grant review before the USPTO, as well as oppositions and similar processes in foreign jurisdictions. Numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we and our collaborators are developing product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, and as we gain greater visibility and market exposure as a public company, the risk increases that our product candidates or other business activities may be subject to claims of infringement of the patent and other proprietary rights of third parties. Third parties may assert that we are infringing their patents or employing their proprietary technology without authorization. We have conducted searches for information in support of patent protection and otherwise evaluating the patent landscape for relugolix and MVT-602, and, based on these searches and evaluations to date, we do not believe that there are valid patents which contain granted claims that could be asserted with respect to relugolix or MVT-602. However, we may be incorrect.

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

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

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

Competitors may infringe or otherwise violate our patents, the patents of our licensors or our other intellectual property rights. To counter infringement or unauthorized use, we may be required to file legal claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours or our licensors is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not issuing. The initiation of a claim against a third party may also cause the third party to bring counter claims against us such as claims asserting that our patents are invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or lack of statutory subject matter. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant material information from the USPTO, or made a materially misleading statement, during prosecution. Third parties may also raise similar validity claims before the USPTO in post-grant proceedings such as ex parte reexaminations, inter partes review, or post-grant review, or oppositions or similar proceedings outside the United States, in parallel with litigation or even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. We cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. For the patents and patent applications that we have licensed, we may have limited or no right to participate in the defense of any licensed patents against challenge by a third party. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of any future patent protection on our current or future product candidates. Such a loss of patent protection could harm our business.

We may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States. Our business could be harmed if in litigation the prevailing party does not offer us a license on commercially reasonable terms. Any litigation or other proceedings to enforce our intellectual property rights may fail, and even if successful, may result in substantial costs and distract our management and other employees.

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

Changes in United States patent law or the patent law of other countries or jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products.

The United States has recently enacted and implemented wide-ranging patent reform legislation. The United States Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on actions by the United States Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce patents that we have licensed or that we might obtain in the future. Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future.

We may not be able to protect our intellectual property rights throughout the world, which could impair our business.

Filing, prosecuting, and defending patents covering relugolix, MVT-602, and any future product candidate throughout the world would be prohibitively expensive. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we may obtain patent protection, but where patent enforcement is not as strong as that in the United States. These products may compete with our products in jurisdictions where we do not have any issued or licensed patents and any future patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Because we expect to rely on third parties to manufacture relugolix, MVT-602, and any future product candidates, and we expect to collaborate with third parties on the development of relugolix, MVT-602, and any future product candidates, we must, at times, share trade secrets with them. We also conduct joint R&D programs that may require us to share trade secrets under the terms of our R&D partnerships or similar agreements. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, consulting agreements or other similar agreements with our advisors, employees, third-party contractors, and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, including our trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor’s discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have an adverse effect on our business and results of operations.

In addition, these agreements typically restrict the ability of our advisors, employees, third-party contractors, and consultants to publish data potentially relating to our trade secrets, although our agreements may contain certain limited publication rights. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of our agreements with third parties, independent development or publication of information by any of our third-party collaborators. A competitor’s discovery of our trade secrets would impair our competitive position and have an adverse impact on our business.

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

We employ individuals who were previously employed at other biotechnology or pharmaceutical companies. Although we seek to protect our ownership of intellectual property rights by ensuring that our agreements with our employees, collaborators, and other third parties with whom we do business include provisions requiring such parties to assign rights in inventions to us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of our employees' former employers or other third parties. We may also be subject to claims that former employers or other third parties have an ownership interest in our patents. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and if we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees.

Risks Related to Our Common Shares

An active trading market for our common shares may not be sustained.

Although our common shares are listed on the NYSE, we cannot assure you that an active trading market for our common shares will continue to be sustained. In addition, as a result of a large proportion of our common shares being held by passive investors (RSL beneficially owning approximately 61.0% of our outstanding common shares as of February 9, 2018), trading in our common shares may be less liquid than the shares of companies with broader public active institutional investor ownership. If an active market for our common shares is not sustained, your ability to trade our shares may be limited. An inactive market may also impair our ability to raise capital to continue to fund operations by selling common shares and may impair our ability to acquire other companies or technologies by using our common shares as consideration.

The market price of our common shares has been and is likely to continue to be highly volatile, and you may lose some or all of your investment.

The market price of our common shares has been and is likely to continue to be highly volatile and may be subject to wide fluctuations in response to a variety of factors, including the following:

- any delay in the commencement, enrollment, and ultimate completion of our clinical trials;
- results of clinical trials of relugolix, MVT-602 or those of our competitors;
- any delay in filing an NDA or similar application for relugolix or MVT-602 and any adverse development or perceived adverse development with respect to the FDA or other regulatory authority’s review of that NDA or similar application, as the case may be;
- failure to successfully develop and commercialize relugolix, MVT-602 or any future product candidate;
- inability to obtain additional funding;
- regulatory or legal developments in the United States or other countries or jurisdictions applicable to relugolix, MVT-602, or any future product candidate;
- adverse regulatory decisions;
- changes in the structure of healthcare payment systems;
- inability to obtain adequate product supply for relugolix, MVT-602 or any future product candidate, or the inability to do so at acceptable prices;
- introduction of new products, services or technologies by our competitors;
- failure to meet or exceed financial projections we provide to the public;
- failure to meet or exceed the estimates and projections of the investment community;
- changes in the market valuations of similar companies;
- market conditions in the pharmaceutical and biotechnology sectors, and the issuance of new or changed securities analysts' reports or recommendations;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- variations in our financial results or the financial results of companies that are perceived to be similar to us;
- changes in estimates of financial results or investment recommendations by securities analysts;
- significant lawsuits, including patent or shareholder litigation, and disputes or other developments relating to our proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- additions or departures of key scientific or management personnel;
- short sales of our common shares;
- sales of a substantial number of shares of our common stock in the public market, or the perception in the market that the holders of a large number of shares intend to sell shares;
- sales or purchases of our common shares by our Section 16 officers;
- sales of our common shares by us or our shareholders in the future;
- negative coverage in the media or analyst reports, whether accurate or not;

- issuance of subpoenas or investigative demands, or the public fact of an investigation by a government agency, whether meritorious or not;
- trading liquidity of our common shares;
- investors' general perception of our company and our business;
- general economic, industry, and market conditions; and
- the other factors described in this "Risk Factors" section.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political, regulatory, and market conditions, may negatively affect the market price of our common shares, regardless of our actual operating performance.

Volatility in our share price could subject us to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical companies have experienced significant share price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

We are a "controlled company" within the meaning of the applicable rules of the NYSE and, as a result, qualify for exemptions from certain corporate governance requirements. If we rely on these exemptions, you will not have the same protections afforded to shareholders of companies that are subject to such requirements.

RSL controls a majority of the voting power of our outstanding common shares. As a result, we are a "controlled company" within the meaning of the NYSE corporate governance requirements. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including the requirements:

- that a majority of its board of directors consists of independent directors;
- for an annual performance evaluation of the nominating and corporate governance and compensation committees;
- to have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- to have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibility.

We have elected to use certain of these exemptions and we may continue to use all or some of these exemptions in the future. As a result, you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

RSL owns a significant percentage of our common shares and is able to exert significant control over matters subject to shareholder approval.

Based on our common shares outstanding as of December 31, 2017, RSL beneficially owns approximately 61.0% of the voting power of our outstanding common shares and has the ability to substantially influence us through this ownership position. For example, RSL and its shareholders may be able to control elections of directors, issuance of equity, including to our employees under equity incentive plans, amendments of our organizational documents, or approval of any merger, amalgamation, sale of assets or other major corporate transaction. RSL's interests may not always coincide with our corporate interests or the interests of other shareholders, and it may act in a manner with which you may not agree or that may not be in the best interests of our other shareholders. Further, RSL is a privately-held company whose ownership and governance structure is not transparent to our other shareholders. There may be changes to the management or ownership of RSL that could impact RSL's interests in a way that may not coincide with our corporate interests or the interests of other shareholders. So long as RSL continues to own a significant amount of our equity, it will continue to be able to strongly influence or effectively control our decisions.

Our organizational and ownership structure may create significant conflicts of interests.

Our organizational and ownership structure involves a number of relationships that may give rise to certain conflicts of interest between us and minority holders of our common shares, on the one hand, and RSL and its shareholders, on the other hand. Certain of our directors and employees have equity interests in RSL and, accordingly, their interests may be aligned with RSL's interests, which may not always coincide with our corporate interests or the interests of our other shareholders. Further, our other shareholders may not have visibility into the RSL ownership of any of our directors or officers, which may change at any time through acquisition, disposition, dilution, or otherwise. Any change in our directors' or officers' RSL ownership could impact the interests of those holders.

In addition, we are party to certain related party agreements with RSL, RSI, and RSG. These entities and their shareholders, including certain of our directors and employees, may have interests which differ from our interests or those of the minority holders of our common shares. For example, we are party to an option agreement with RSL pursuant to which RSL granted to us an option to acquire the rights to products to which RSL or any nonpublic affiliate of RSL acquires the rights (other than a relugolix product or a competing product) for uterine fibroids or endometriosis, or for which the primary target indication is advanced prostate cancer. It is possible that we could fail to exercise our option with respect to a product candidate under this agreement and that product candidate is then successfully developed and commercialized by RSL or one of its other subsidiaries or affiliates. Any material transaction between us and RSL, RSI, or RSG is subject to our related party transaction policy, which requires prior approval of such transaction by our Audit Committee. To the extent we fail to appropriately deal with any such conflicts of interests, it could negatively impact our reputation and ability to raise additional funds and the willingness of counterparties to do business with us, all of which could have an adverse effect on our business, financial condition, results of operations, and cash flows.

If securities or industry analysts cease to publish research or reports about our business, or publish negative reports about our business, our share price could decline.

The trading market for our common shares depends, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If our financial performance fails to meet analyst estimates, or one or more of the analysts who covers us downgrades their investment recommendation on our common shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price to decline.

Because we do not anticipate paying any cash dividends on our common shares in the foreseeable future, capital appreciation, if any, would be your sole source of gain.

We have never declared or paid any cash dividends on our common shares. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. We are also subject to Bermuda legal constraints that may affect our ability to pay dividends on our common shares and make other payments. Additionally, our ability to pay dividends is currently restricted by the terms of the NovaQuest Securities Purchase Agreement and the Hercules Loan Agreement. As a result, capital appreciation, if any, of our common shares would be your sole source of gain on an investment in our common shares for the foreseeable future.

Future sales of our common shares, or the perception that such sales may occur, could depress our share price, even if our business is doing well.

Sales of a substantial number of our common shares in the public market, or the perception by investors that our shareholders intend to sell substantial amounts of our common shares in the public market, could depress the market price of our common shares even if our business is doing well. Such a decrease in our share price could in turn impair our ability to raise capital through the sale of additional equity securities.

All of the shares sold in our IPO, as well as shares issued upon the exercise of options granted to persons other than our officers and directors, are freely transferable without restrictions or further registration under the Securities Act. If our major shareholders, including RSL and Takeda, or any of our executive officers or directors were to sell a substantial portion of our common shares, or if the market perceived that RSL, Takeda or any of our executive officers or directors intends to sell our common shares, it could negatively affect our common share price.

We have filed a registration statement on Form S-8 under the Securities Act to register the common shares that may be issued under our equity incentive plans. In addition, we have filed a registration statement on Form S-3 under the Securities Act to register the offer and sale of up to an aggregate of $300 million of our securities, as well as the resale of up to 49,800 common shares held by Hercules. Sales of these common shares or the issuance of such securities may have an adverse effect on the trading price of our common shares. In addition, in the future we may issue additional common shares or other securities if we need to raise additional capital. The number of our new common shares issued in connection with raising additional capital could constitute a material portion of our then outstanding common shares and result in dilution to the market price of our common shares.

We have incurred and will continue to incur substantial costs as a result of operating as a public company, and our management has been and will be required to continue to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we have incurred and will continue to incur significant legal, accounting, and other expenses. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, changing rules and regulations may increase our legal and financial compliance costs and make some activities more time-consuming and costly. If, notwithstanding our efforts to comply with new or changing laws, regulations, and standards, we fail to comply, regulatory authorities may initiate legal proceedings against us, and our business may be harmed. Further, failure to comply with these laws, regulations and standards may make it more difficult and more expensive for us to obtain directors' and officers' liability insurance, which could make it more difficult for us to attract and retain qualified members to serve on our board of directors or committees or as members of senior management.

If we are unable to develop and maintain proper and effective internal control over financial reporting and disclosure controls and procedures, investor confidence in our company and, as a result, the value of our common shares, may be adversely affected.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of the end of each fiscal year. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until our first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. At such time as we are required to obtain auditor attestation, if we then have a material weakness, we would receive an adverse opinion regarding our internal control over financial reporting from our independent registered public accounting firm. We will be required to disclose significant changes made in our internal control procedures on a quarterly basis.

We have begun the costly and challenging process of compiling the system and process documentation necessary to perform the evaluation needed to comply with Section 404. Our process to comply with Section 404 will result in substantial legal, accounting and other compliance expense and significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and finance staff and consultants with appropriate public company experience and technical accounting knowledge, and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal control, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls over financial reporting are effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain effective internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common shares could decline, and we could be subject to sanctions or investigations by the NYSE, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also negatively impact our ability to access the capital markets.

In addition, effective disclosure controls and procedures enable us to make timely and accurate disclosure of financial and non-financial information that we are required to disclose. If our disclosure controls and procedures are ineffective in the future, we may be unable to report our financial results or make other disclosures accurately on a timely basis, which could cause our reported financial results or other disclosures to be materially misstated and result in the loss of investor confidence and cause the market price of our common shares to decline.

We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common shares less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including exemption from compliance with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following November 1, 2021, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common shares that are held by non-affiliates exceeds $700.0 million as of the prior September 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company" which would allow us to take advantage of many of the same exemptions from disclosure requirements including exemption from compliance with the auditor attestation requirements of Section 404 and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

We are a Bermuda company and it may be difficult for you to enforce judgments against us or our directors and executive officers.

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

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

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

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

There are regulatory limitations on the ownership and transfer of our common shares.

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

Our bye-laws enable our board of directors to issue preference shares, which may discourage a change of control.

Our bye-laws contain provisions that enable our board of directors to determine the powers, preferences, and rights of our preference shares and to issue the preference shares without shareholder approval.

This could discourage, delay or prevent a transaction involving a change in control of our company and may prevent our shareholders from receiving the benefit from any premium to the market price of our common shares offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of this provision may adversely affect the prevailing market price of our common shares if it is viewed as discouraging takeover attempts in the future.

The voting power of your common shares may be reduced without your further consent.

Under our amended and restated bye-laws, in the event that any U.S. person holds, directly, indirectly or constructively, 9.5% or more of the total voting power of our issued share capital, excluding any U.S. person that held, directly, indirectly or constructively, 9.5% or more of the total voting power of issued share capital immediately prior to the closing of our IPO, the aggregate votes conferred by the common shares held by such person (or by any person through which such U.S. person indirectly or constructively holds shares) will be reduced by our board of directors to the extent necessary such that the common shares held, directly, indirectly or constructively, by such U.S. person will constitute less than 9.5% of the voting power of all issued and outstanding shares. RSL and certain of its affiliates are not subject to these provisions. Further, our board of directors may determine that shares shall carry different or no voting rights as it reasonably determines, based on the advice of counsel, to be appropriate to (1) avoid the existence of any U.S. person who holds 9.5% or more of the total voting power of our issued share capital or (2) avoid adverse tax, legal or regulatory consequences to us, any subsidiary of ours or any holder of our common shares or its affiliates. These provisions may discourage potential investors from acquiring a stake or making a significant investment in our company, as well as discourage a takeover attempt, which may prevent our shareholders from receiving the benefit of any such transactions as well as adversely affect the prevailing market price of our common shares if viewed as discouraging takeover attempts in the future.

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

We are incorporated under the laws of Bermuda, where we are not subject to any income or withholding taxes. We are centrally managed and controlled in the United Kingdom, and under current U.K. tax law, a company which is centrally managed and controlled in the United Kingdom is regarded as resident in the United Kingdom for taxation purposes. We may also become subject to income, withholding or other taxes in certain jurisdictions by reason of our activities and operations, and it is also possible that taxing authorities in any such jurisdictions could assert that we are subject to greater taxation than we currently anticipate. Any such additional tax liability could materially adversely affect our results of operations. For example, Myovant Sciences GmbH is our principal operating company for conducting our business and the entity that holds our intellectual property rights in relugolix and MVT-602. The establishment of this Swiss entity as our principal operating company and the transfer of our intellectual property rights to this entity may result in a higher overall effective tax rate.

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

RSL, our principal shareholder, is incorporated under the laws of Bermuda. We currently have subsidiaries in the United Kingdom, Switzerland, Ireland, and the United States. If we succeed in growing our business, we expect to conduct increased operations through our subsidiaries in various countries and tax jurisdictions, in part through intercompany service agreements between us, our parent company, and our subsidiaries. In that case, our corporate structure and intercompany transactions, including the manner in which we develop and use our intellectual property, will be organized so that we can achieve our business objectives in a tax-efficient manner and in compliance with applicable transfer pricing rules and regulations. If two or more affiliated companies are located in different countries or tax jurisdictions, the tax laws and regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm's length and that appropriate documentation is maintained to support the transfer prices. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities.

Significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by changes in foreign currency exchange rates or by changes in the relevant tax, accounting, and other laws, regulations, principles, and interpretations. As we intend to operate in numerous countries and taxing jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. In addition, tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. For example, on December 22, 2017, the President of the United States signed into law an Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (commonly known as "the Tax Cuts and Jobs Act"), which introduced a comprehensive set of tax reforms. We continue to assess the impact of such tax reform legislation on our business and may determine that changes to our structure, practice or tax positions are necessary in light of the Tax Cuts and Jobs Act. Certain impacts of this legislation have been taken into account, including the reduction of the U.S. corporate tax rate from the previous 35 percent to 21 percent. The Tax Cuts and Jobs Act in conjunction with the tax laws of other jurisdictions in which we operate, however, may require consideration of changes to our structure and the manner in which we conduct our business. Such changes may nevertheless be ineffective in avoiding an increase in our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm's length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, potentially resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations, and cash flows.

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

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

Our actual effective tax rate may vary from our expectation and that variance may be material. A number of factors may increase our future effective tax rates, including: (1) the jurisdictions in which profits are determined to be earned and taxed; (2) the resolution of issues arising from any future tax audits with various tax authorities; (3) changes in the valuation of our deferred tax assets and liabilities; (4) increases in expenses not deductible for tax purposes, including transaction costs and impairments of goodwill in connection with acquisitions; (5) changes in the taxation of share-based compensation; (6) changes in tax laws or the interpretation of such tax laws, and changes in generally accepted accounting principles; and (7) challenges to the transfer pricing policies related to our structure.

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

Generally, if, for any taxable year, at least 75% of our gross income is passive income, or at least 50% of the value of our assets is attributable to assets that produce passive income or are held for the production of passive income, including cash, we would be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. For purposes of these tests, passive income includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. If we are characterized as a PFIC, U.S. holders of our common shares may suffer adverse tax consequences, including having gains realized on the sale of our common shares treated as ordinary income rather than capital gain, the loss of the preferential tax rate applicable to dividends received on our common shares by individuals who are U.S. holders, and having interest charges apply to distributions by us and the proceeds of sales of our common shares.

Our status as a PFIC will depend on the composition of our income and the composition and value of our assets (assuming we are not a "controlled foreign corporation," or a CFC, under Section 957(a) of the Internal Revenue Code of 1986, as amended, or the Code, for the year being tested, but such assumption is only necessary if we fail to be treated as a publicly traded corporation under Section 1297(e)(3) of the Code for the taxable year being tested), which may be determined in large part by reference to the market value of our common shares, which may be volatile from time to time. Our status may also depend, in part, on how quickly we utilize the cash proceeds from our IPO in our business. We believe that we were not a CFC at any point prior to our IPO and after our IPO in the taxable year that ended on March 31, 2017. Based on this belief, with respect to the taxable year that ended on March 31, 2017 and foreseeable future taxable years, we believe that we were not a PFIC and presently do not anticipate that we will be a PFIC based upon the expected value of our assets, including any goodwill, and the expected nature and composition of our income and assets. However, our status as a PFIC is a fact-intensive determination made on an annual basis and we cannot provide any assurances regarding our PFIC status for the current or future taxable years.

In the event that we receive passive income in the future that would cause us to be a PFIC, we would expect to evaluate and may implement alternative structures and arrangements including structures and arrangements intended to mitigate the possibility that we will be classified as a PFIC. The failure or inability to implement such structures or arrangements may have an adverse impact on the determination of whether we are classified as a PFIC.

Certain U.S. holders of our common shares may suffer adverse tax consequences if we are characterized as a "controlled foreign corporation", or a CFC, under Section 957(a) of the Code.

A non-U.S. corporation is considered a CFC if more than 50 percent of (1) the total combined voting power of all classes of stock of such corporation entitled to vote, or (2) the total value of the stock of such corporation, is owned, or is considered as owned by applying certain constructive ownership rules, by United States shareholders (U.S. persons who own stock representing 10% or more of the vote or, for taxable years of non-U.S. corporations beginning after December 31, 2017 and for taxable years of shareholders with or within which such taxable years of non-U.S. corporations end, 10% or more of the value) on any day during the taxable year of such non-U.S. corporation. Certain United States shareholders of a CFC generally are required to include currently in gross income such U.S. shareholders' share of the CFC's "Subpart F income", a portion of the CFC's earnings to the extent the CFC holds certain U.S. property, and certain other new items under the Tax Cuts and Jobs Act. Such United States shareholders are subject to current U.S. federal income tax with respect to such items, even if the CFC has not made an actual distribution to such shareholders. "Subpart F income" includes, among other things, certain passive income (such as income from dividends, interests, royalties, rents and annuities or gain from the sale of property that produces such types of income) and certain sales and services income arising in connection with transactions between the CFC and a person related to the CFC.

Certain changes in the U.S. tax law introduced by the Tax Cuts and Jobs Act may result in the creation of CFCs within the group, may also impact our CFC status, and may affect holders of our common shares that are United States shareholders. For U.S. holders who hold 10% or more of the vote or value of our common shares, this may result in negative U.S. federal income tax consequences, such as current U.S. taxation of Subpart F income and of any such shareholder's share of our accumulated non-U.S. earnings and profits (regardless of whether we make any distributions), taxation of amounts treated as global intangible low-taxed income under Section 951A of the Code with respect to such shareholder, and being subject to certain reporting requirements with the U.S. Internal Revenue Service. If you are a U.S. holder who holds 10% or more of the vote or value of our common shares, you should consult your own tax advisors regarding the U.S. tax consequences of acquiring, owning, or disposing our common shares and the impact of the Tax Cuts and Jobs Act, especially the changes to the rules relating to CFCs.

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

(a) **Recent Sales of Unregistered Equity Securities**

On October 16, 2017, under the Hercules Loan Agreement, we issued a warrant to Hercules, exercisable for an aggregate of 49,800 of our common shares at an exercise price of $15.06 per share. In addition, on October 30, 2017, we issued 138,361 common shares to NovaQuest pursuant to the NovaQuest Securities Purchase Agreement. See “Note 4—Long-term Debt” to our interim unaudited condensed consolidated financial statements contained herein for a further discussion of these agreements. The offers, sales, and issuances of these securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act or Regulation D promulgated thereunder as transactions by an issuer not involving a public offering.

(b) **Use of Proceeds**

On November 1, 2016, we closed our IPO, in which we issued and sold 14.5 million common shares at a public offering price of $15.00 per common share, for gross proceeds of $217.5 million. All of the common shares issued and sold in our IPO were registered under the Securities Act pursuant to a registration statement on Form S-1 (Registration No. 333-213891), which was declared effective by the SEC on October 26, 2016. Citigroup Global Markets Inc., Cowen and Company, LLC, Evercore Group L.L.C. and Barclays Capital Inc. acted as book-running managers for our IPO. The net proceeds to us were approximately $200.0 million, after deducting $15.2 million in underwriting discounts and commissions and $2.3 million in offering expenses. We have used the cash proceeds from our IPO as described in the final prospectus filed by us with the SEC on October 27, 2016, and the remaining net cash proceeds are currently deposited with three banking institutions and are substantially all in excess of insured levels.

No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning 10% or more of any class of our equity securities or to any other affiliates.

There has been no material change in the planned use of proceeds from our IPO from that described in the final prospectus filed by us with the SEC on October 27, 2016 pursuant to Rule 424(b) of the Securities Act.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description of Document
3.1	Certificate of Incorporation. (1)
3.2	Memorandum of Association. (2)
3.3	Third Amended and Restated Bye-laws. (3)
10.1	Loan and Security Agreement, dated October 16, 2017, by and among the Registrant, Myovant Holdings Limited, Myovant Sciences GmbH, Myovant Sciences Ireland Limited, and Myovant Sciences, Inc. and Hercules Capital, Inc.
10.2	Securities Purchase Agreement, dated October 16, 2017, by and among the Registrant, Myovant Holdings Limited, Myovant Sciences GmbH, Myovant Sciences Ireland Limited, and Myovant Sciences, Inc. and NovaQuest Pharma Opportunities Fund IV, L.P.
10.3	Equity Purchase Agreement, dated October 16, 2017, by and among the Registrant and NovaQuest Pharma Opportunities Fund IV, L.P. and NovaQuest Pharma Opportunities Fund IV (Parallel), L.P.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS XBRL	Instance Document
101.SCH XBRL	Taxonomy Extension Schema
101.CAL XBRL	Taxonomy Extension Calculation Linkbase
101.DEF XBRL	Taxonomy Extension Definition Linkbase
101.LAB XBRL	Taxonomy Extension Label Linkbase
101.PRE XBRL	Taxonomy Extension Presentation Linkbase

(1) Incorporated herein by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-213891), filed on September 30, 2016.

(2) Incorporated herein by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-213891), filed on September 30, 2016.

(3) Incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-37929), filed on February 9, 2018.

* These certifications are being furnished solely to accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

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

MYOVANT SCIENCES LTD.

By: /s/ Frank Karbe

Frank Karbe
(Duly Authorized Officer and Principal Financial and Accounting Officer)

Date: February 13, 2018

Exhibit 10.1

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is made and dated as of October 16, 2017 and is entered into by and between Myovant Sciences Ltd., an exempted company incorporated and organized under the laws of Bermuda ("***Parent***" or "***Borrower***"), Myovant Holdings Limited, a company incorporated in England and Wales with registered number 10317663 whose registered address is Suite 1, 3rd Floor 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB ("***Myovant England***"), Myovant Sciences GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated and organized under the laws of Switzerland ("***Myovant Switzerland***"), Myovant Sciences Ireland Limited, a private company limited by shares organized under the laws of Ireland with registered number 601541 whose registered address is 24/26 City Quay, Dublin 2 ("***Myovant Ireland***"), Myovant Sciences, Inc., a Delaware corporation ("***Myovant Delaware***" and, together with Myovant England and Myovant Switzerland and Myovant Ireland, each a "***Guarantor***" and, together with the other subsidiary guarantors from time to time party hereto or to any Loan Document, collectively the "***Guarantors***"), the several banks and other financial institutions or entities from time to time parties to this Agreement (each referred to as a "***Lender***" and collectively referred to as "***Lenders***") and HERCULES CAPITAL, INC., a Maryland corporation, in its capacity as administrative agent and collateral agent for itself and the Lender (in such capacity, the "***Agent***").

RECITALS

A. Borrower has requested Lender to make available to Borrower term loans in an aggregate principal amount for the term of this Agreement of up to Forty Million Dollars ($40,000,000) (the "***Term Loans***");

B. Borrower has requested Lender to make available to Borrower, on the date hereof, inclusive of the $40,000,000 total Term Loan Commitment, an Advance of the Term Loans in an aggregate principal amount of Twenty Five Million Dollars ($25,000,000);

C. Lender is willing to make the Term Loans on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, each Loan Party, Agent and Lender agrees as follows:

SECTION 1 DEFINITIONS AND RULES OF CONSTRUCTION

1.01 Definitions. Unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"***Account Control Agreement(s)***" means any agreement (control agreement or otherwise) entered into by and among the Agent, any Loan Party and a third-party bank or other institution (including a Securities Intermediary) with which any Loan Party maintains a Deposit Account or an account holding Investment Property or which grants Agent a perfected first priority security interest in the subject account or accounts, including as provided for in the Bermuda Security Documents, English Security Documents, Irish Security Documents and Swiss Security Documents.

"***ACH Authorization***" means the ACH Debit Authorization Agreement in substantially the form of **Exhibit D** attached hereto, which account numbers shall be redacted for security purposes if and when filed publicly by Parent.

"***Advance(s)***" means any Term Loans advanced under this Agreement.

"***Advance Date***" means the funding date of any Advance.

"***Advance Request***" means a request for an Advance submitted by Borrower to Agent in substantially the form of Exhibit A to the Disclosure Letter, which account numbers shall be redacted for security purposes if and when filed publicly by Parent.

"***Affiliate***" means any Person that directly or indirectly controls, is controlled by, or is under common control with the Person in question. As used in the definition of "***Affiliate***", the term "***control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"***Agent***" has the meaning given to it in the preamble to this Agreement.

"***Agreement***" means this Loan and Security Agreement, as amended from time to time.

"***Amortization Date***" means June 1, 2019; provided however, if the applicable milestones below occur, the "Amortization Date" shall be as set forth below:

Milestone	**Amortization Date**
The achievement of the Financing Milestone on or before December 31, 2018	November 30, 2019
The achievement of each of: • the Clinical Milestone on or before November 30, 2019, and • the Financing Milestone on or before December 31, 2018.	June 1, 2020

"***Anti-Corruption Laws***" shall mean all laws, rules, and regulations of any jurisdiction applicable to Parent or any of its Subsidiaries or Affiliates from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, the Prevention of Corruption Acts 1889 to 2010 of Ireland and other similar legislation in any other jurisdictions.

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

"***Applicable Amount***" means (a) prior to the date the Financing Milestone is achieved, the lesser of (i) Fifteen Million Dollars ($15,000,000) and (ii) the outstanding amount of the Secured Obligations and (b) on and after the date the Financing Milestone is achieved but prior to the date the Clinical Milestone is achieved, the lesser of (i) Ten Million Dollars ($10,000,000) and (ii) the outstanding amount of the Secured Obligations.

"***Assignee***" has the meaning given to it in **Section 11.14**.

"***Bermuda Security Documents***" means the following documents, each in form and substance reasonably satisfactory to Agent: (a) that certain Bermuda-law security agreement, dated as of the date hereof, between Parent and Agent, and (b) such other documents incidental to the foregoing documents as Agent may reasonably determine necessary.

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

"***Board***" means Parent's Board of Directors.

"***Board of Directors***" means the board of directors or comparable governing body of such Person, or any subcommittee thereof, as applicable.

"***Borrower DTTP Filing***" means an HMRC Form DTTP2 duly completed and filed by the Borrower, which:

(i) where it relates to a U.K. Treaty Lender that is a Lender on the date of this Agreement, contains the scheme reference number and jurisdiction of tax residence provided by the Lender in accordance with **Section 2.08(g)(ii)**, and is filed with HM Revenue & Customs within 30 days of the date of this Agreement; or

(ii) where it relates to a U.K. Treaty Lender that becomes a Lender after the date of this Agreement, contains the scheme reference number and jurisdiction of tax residence provided by the Lender in accordance with **Section 2.08(g)(ii)**, and is filed with HMRC within 30 days of that Lender becoming a Lender.

"***Borrower Products***" means all products (including the Study Product), software, service offerings, technical data or technology currently being designed, manufactured or sold by any Loan Party or which any Loan Party intends to sell, license, or distribute in the future including any products or service offerings under development, collectively, together with all products, software, service offerings, technical data or technology that have been sold, licensed or distributed by any Loan Party since its incorporation or formation.

"***Business Day***" means any day other than Saturday, Sunday and any other day on which banking institutions in the State of New York are closed for business.

"***Cash***" means all cash, cash equivalents and liquid funds.

"***Change in Control***" means (a) any reorganization, recapitalization, consolidation, amalgamation or merger (or similar transaction or series of related transactions) of Parent, or any sale or exchange of outstanding Common Shares (or similar transaction or series of related transactions) of Parent, and in each case as a result of such transaction any Person or "group" (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the date hereof) other than Roivant owns, directly or indirectly, shares representing more than thirty-five percent (35%) of the voting power of Parent or such surviving entity; or (b) Parent, directly or indirectly, ceases to own one hundred percent (100%) (excluding Nominal Shares) of the Equity Interests of each of the Guarantors. Notwithstanding the foregoing, neither the merger of a Loan Party into another Loan Party nor any Permitted Transfer shall constitute a Change in Control.

"***Change in Law***" means the occurrence after the Closing Date or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement of (a) the adoption of any law, rule or regulation or treaty, (b) any change in any law, rule or regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after such date, provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) 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 Law***", regardless of the date enacted, adopted or issued.

"***Claims***" has the meaning given to it in **Section 11.11**.

"***Clinical Milestone***" means satisfaction of each of the following events: (a) no Event of Default shall have occurred and be continuing and (b) Parent has announced that one of the following events has occurred: (i) the two Phase 3 studies of relugolix for the treatment of heavy menstrual bleeding associated with uterine fibroids as described in clinical study protocols MVT-601-3001 and MVT-601-3002 have each met the primary efficacy endpoint with relugolix demonstrating an acceptable safety profile such that the data support the submission of a New Drug Application to the FDA for the treatment of heavy menstrual bleeding associated with uterine fibroids, (ii) the two Phase 3 studies of relugolix for the treatment of endometriosis-associated pain as described in clinical study protocols MVT-601-3101 and MVT-601-3102 have each met both the co-primary efficacy endpoints with relugolix demonstrating an acceptable safety profile such that the data support the submission of a New Drug Application to the FDA for the treatment of endometriosis-associated pain, or (iii) the Phase 3 study of relugolix for the treatment of advanced prostate cancer as described in clinical study protocol MVT-601-3201 has met the primary efficacy endpoint with relugolix demonstrating an acceptable safety profile such that the data support the submission of a New Drug Application to the FDA for the treatment of advanced prostate cancer; with each subject to confirmation by Agent in its reasonable discretion (including supporting documentation requested by Agent).

"***Clinical Studies***" means all clinical studies listed on **Schedule 1.01(a)** attached hereto.

"***Closing Date***" means the date of this Agreement.

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

"***Collateral***" has the meaning given to it in **Section 3.04**.

"***Commission***" means the United States Securities and Exchange Commission.

"***Common Shares***" means the Common Shares, $0.000017727 par value per share, of the Parent.

"***Compliance Certificate***" means the compliance certificate in the form attached hereto as **Exhibit C**.

"***Confidential Information***" has the meaning given to it in **Section 11.13**.

"***Contingent Obligation***" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any Indebtedness, lease, dividend, letter of credit or other obligation of another, including any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any Hedging Agreement; provided, however, that the term "***Contingent Obligation***" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the amount that would be required to be shown as a liability on a balance sheet prepared in accordance with GAAP or IFRS, as applicable; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"***Contribution Notice***" means a contribution notice issued by the U.K. Pensions Regulator under section 38 or section 47 of the Pensions Act 2004.

"***Controlled Foreign Corporation***" means any Subsidiary of a Domestic Subsidiary (i) which is a "controlled foreign corporation" within the meaning of Section 957 of the Code or (ii) which is organized under the laws of the United States (or any state thereof) and has no material assets other than Equity Interests of Persons described in clause (i).

"***Copyright License***" means any written agreement granting any right to use any Copyright or Copyright registration, now owned or hereafter acquired by any Loan Party or in which any Loan Party now holds or hereafter acquires any interest.

"***Copyrights***" means all copyrights, whether registered or unregistered, held pursuant to the laws of the United States of America, any State thereof, Bermuda, the United Kingdom, Ireland, Switzerland or of any other country.

"***Deposit Accounts***" means any "***deposit account***", as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit wherever located.

"***Disclosure Letter***" means that certain letter, dated as of the date hereof, delivered by Parent to Agent.

"***Disqualified Equity Interests***" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interest into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature or are mandatorily redeemable (other than solely for Qualified Equity Interests and cash in lieu of fractional shares), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control, fundamental change, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and the termination of the Term Commitment), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests and cash in lieu of fractional shares) (except as a result of a change of control fundamental change, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and the termination of the Term Commitments), in whole or in part, or (c) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Term Loan Maturity Date; provided that (i) if such Equity Interests are issued pursuant to a plan for the benefit of the Borrower or its Subsidiaries or their directors, officers, employees and/or consultants or by any such plan to directors, officers, employees or consultants of the Borrower or any of its Subsidiaries, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such director, officer, employee or consultant's termination, death or disability and (ii) Disqualified Equity Interests shall not include any equity derivatives permitted under **Section 7.07**.

"***Dollars***" means the lawful currency of the United States of America.

"***Domestic Subsidiary***" means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

"***Due Diligence Fee***" means Twenty-Five Thousand Dollars ($25,000.00), which fee has been paid to Lender prior to the Closing Date.

"English Security Documents" means the following documents each in a form and substance reasonably satisfactory to Agent: (a) an English law governed debenture over all of the assets (both present and future) of Myovant England, (b) an English law governed share charge entered into by the Parent in respect to the entire issued share capital of Myovant England and (c) such other documents incidental to the foregoing as Agent may reasonably determine.

"***Equity Interests***" means, with respect to any Person, the capital stock, partnership or limited liability company interest, or other equity securities or equity ownership interests of such Person, but excluding, for the avoidance of doubt, securities offered in the Permitted Convertible Debt Financing and any other Indebtedness that is convertible into or otherwise exchangeable for, Equity Interests.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"***Event of Default***" has the meaning given to it in **Section 9**.

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

"***Excluded Accounts***" means (i) any Deposit Account that is used solely as a payroll account for the employees of any Loan Party or any of its Subsidiaries (provided that the funds in any payroll account shall not exceed 150% of the amount to be paid in the ordinary course of business in the then-next payroll cycle) or the funds in which consist solely of funds held in trust for any director, officer or employee of such Loan Party or Subsidiary or any employee benefit plan maintained by such Loan Party or Subsidiary or funds representing deferred compensation for the directors and employees of such Loan Party or Subsidiary, (ii) escrow accounts, Deposit Accounts and trust accounts, in each case holding assets that are pledged or otherwise encumbered pursuant to clauses (vi) and (xiv) of the definition of Permitted Liens (but only to the extent required to be excluded pursuant to the underlying documents entered into in connection with such Permitted Liens in the ordinary course of business), (iii) accounts containing no (zero) balance; provided that in each with respect to the accounts in clauses (i) through (iii) of this definition of "Excluded Accounts" such accounts are disclosed in writing to Agent on the Closing Date or within fifteen (15) days of the relevant Loan Party opening such account(s), and (iv) prior to the lapse of any grace period set forth therein, accounts described in the Schedule 1A to the Disclosure Letter.

"***Excluded Assets***" means (i) motor vehicles and other equipment subject to a certificate of title statute, (ii) leasehold interests in real property, (iii) any fee-owned real property with an appraised value of less than $1,000,000, (iv) assets subject to a Lien permitted by clause (vii) of the definition of Permitted Liens or purchase money debt obligations, in each case in favor of a Person other than Parent and its Subsidiaries and permitted hereunder, if the contract or other agreement in which such Lien is granted prohibits the creation of any other Lien on such assets or creates a right of termination in favor of such Person (other than to the extent that any such prohibition would be rendered ineffective pursuant to the UCC of any relevant jurisdiction or any other applicable law); (v) any governmental licenses or state or local franchises, charters and authorizations, to the extent a security interest in any such license, franchise, charter or authorization is prohibited or restricted thereby (other than to the extent that any such prohibition or restriction would be rendered ineffective pursuant to the UCC of any relevant jurisdiction or any other applicable law) (vi) nonassignable licenses or contracts, which by their terms require the consent of the licensor thereof or another party (other than to the extent that any such prohibition would be rendered ineffective pursuant to the UCC of any relevant jurisdiction or any other applicable law), (vii) any Excluded Accounts and (viii) any Excluded Equity Interests.

"***Excluded Equity Interests***" means (a) Equity Interests in entities where a Loan Party holds 50% or less of the outstanding Equity Interests of such entity, to the extent a pledge of such Equity Interests is prohibited by the organizational or governing documents of such entity, or agreements with the other equity holders, of such entity, (b) Equity Interests of a Controlled Foreign Corporation with voting power in excess of 65% of the total combined voting power of all classes of Equity Interests of such Controlled Foreign Corporation entitled to vote and (c) any other Equity Interests (or any portion thereof) of a type referenced in clause (ii) of the definition of Permitted Investments to the extent held in an Excluded Account.

"***Excluded Subsidiary***" means (a) any Subsidiary that is prohibited by any applicable law or by any contractual obligation existing on the Closing Date (or, if later, the date of acquisition of such Subsidiary) (provided such contractual obligation was not entered into in contemplation thereof) from guaranteeing the Secured Obligations or any Subsidiary that would require consent, approval, license or authorization of any Governmental Authority in order to guarantee the Secured Obligations unless such consent, approval, license or authorization has been received or can be obtained by the Subsidiary through the use of commercially reasonable efforts, (b) any Controlled Foreign Corporation or any subsidiary of a Controlled Foreign Corporation, (c) any Foreign Subsidiary for which the providing of the guarantee could reasonably be expected to result in any violation or breach of, or conflict with, fiduciary duties of such Subsidiary's officers, directors or managers, (d) any Subsidiary that is not a wholly owned Subsidiary of Parent or a Guarantor and (e) any Immaterial Subsidiary.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Lender or Agent or required to be withheld or deducted from a payment to a Lender or Agent, (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 Lender or Agent 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 Loan or Term Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to **Section 2.08**, 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 Lender or Agent's failure to comply with **Section 2.08(g)**, (d) any U.S. federal withholding Taxes imposed under FATCA, (e) any U.K. Withholding Tax imposed on amounts payable to or for the account of a Lender (or an assignee of a Lender) with respect to an applicable interest in a Loan or Term Commitment to the extent such Lender (or assignee) was not (subject to the completion of any relevant procedural formalities) entitled to a full exemption from U.K. Withholding Tax with respect to the relevant payment on the date of execution of this Agreement (or in the case of an assignee, the date the assignee became a Lender in accordance with **Section 11.07(c)**) or after that date is not so entitled, other than as a result of a change in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority, and (f) Swiss Withholding Tax imposed as a result of a Lender (A) having sold (including any sale of a participation) or assigned any interest in the Loan or Term Commitment or (B) ceasing to be a Qualifying Swiss Lender other than as a result of any Change in Law after the date it became a party to this Agreement.

"***Facility Charge***" means Four Hundred Thousand Dollars ($400,000.00), which is payable to Lender in accordance with **Section 4.01(f)**.

"***FATCA***" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any law, regulation, rule, promulgation or official agreement implementing an official intergovernmental agreement between a non-U.S. jurisdiction and the United States of America with respect to the foregoing.

"***Financing Milestone***" means satisfaction of each of the following events: (a) no Event of Default shall have occurred and be continuing; and (b) Parent has received at least One Hundred Fifty Million Dollars ($150,000,000.00) in cumulative unrestricted (including, not subject to any redemption, clawback, escrow or similar encumbrance or restriction) cash proceeds from one or more bona fide equity financings, Subordinated Indebtedness (which, for the avoidance of doubt, may include the net proceeds received from the NovaQuest Note Documents) and/or upfront net cash proceeds from corporate collaborations, licensing arrangements or similar arrangements, in each case, after October 1, 2017 and prior to December 31, 2018, subject to verification by Agent (including supporting documentation requested by Agent) in its reasonable discretion , but excluding, for the avoidance of doubt, any proceeds received under this Agreement or any other Loan Document.

"***Financial Statements***" has the meaning given to it in **Section 7.01**.

"***Foreign Collateral***" has the meaning given to it in **Section 3.04**.

"***Foreign Subsidiary***" means any Subsidiary which is not a Domestic Subsidiary.

"***GAAP***" means generally accepted accounting principles in the United States of America, as in effect from time to time.

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

"***Guarantor***" has the meaning given to it in the preamble to this Agreement, including for the avoidance of doubt any entity that is required to become a Guarantor after the Closing Date pursuant to the terms of any Loan Document.

"***Guaranteed Obligations***" has the meaning given to it in **Section 12.01**.

"***Hedging Agreement***" means any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement incurred by any Loan Party or any of its Subsidiaries not for speculative purposes and entered into in the ordinary course of business.

"***HMRC***" means HM Revenue & Customs of the U.K.

"***Holder***" has the meaning given to it in **Section 8.05**.

"***IFRS***" means the international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"***Immaterial Subsidiary***" means any Subsidiary designated by Borrower as an "Immaterial Subsidiary" provided that (i) as of the most recent fiscal quarter of Parent, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to **Section 7.01**, such Subsidiary held less than five percent (5%) of Parent's consolidated total assets as of such date; provided that, if at any time the aggregate amount of total assets attributable to all Subsidiaries that are Immaterial Subsidiaries exceeds ten percent (10%) of Parent's consolidated assets as of the end of any such fiscal quarter, Borrower shall designate sufficient Subsidiaries as not being "Immaterial Subsidiaries" to eliminate such excess.

"***Indebtedness***" means, as to any Person at a particular time, indebtedness of any kind, without duplication, whether or not included as indebtedness or liabilities in accordance with GAAP or IFRS, as applicable, including (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments; (c) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business, deferred compensation and severance, pension, health and welfare retirement and equivalent benefits to current or former employees, directors or managers of such Person and its Subsidiaries); (d) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse, (e) capital leases and synthetic lease obligations; (f) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Disqualified Equity Interests (other than obligations in respect of accrued but undeclared dividends) and (g) all Contingent Obligations.

"***Indemnified Person***" has the meaning given to it in **Section 6.03**.

"***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 any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indications***" means each of (a) heavy menstrual bleeding associated with uterine fibroids, (b) endometriosis-associated pain, and (c) advanced prostate cancer.

"***Insolvency Event***" means, in relation to an entity that: (a) such entity shall make an assignment for the benefit of creditors; (b) such entity shall be unable to pay its debts as they become due, or be unable to pay or perform under the Loan Documents, or shall become insolvent or is deemed to, or is declared to, be unable to pay its debts under any applicable law; (c) such entity shall file a voluntary petition in bankruptcy; (d) such entity shall file any petition, answer, or document seeking for itself any reorganization, arrangement, composition, readjustment, liquidation,

dissolution or similar relief under any present or future statute, law or regulation pertinent to such circumstances (other than pursuant to a reorganization, arrangement, composition, readjustment, liquidation or dissolution of a Loan Party solely in connection with a transaction specifically permitted under **Section 7.09**); (e) such entity shall seek or consent to or acquiesce in the appointment of any trustee, receiver, examiner or liquidator of such entity or of all or any substantial part (i.e., 33-1/3% or more) of the assets or property of such entity; (f) such entity or its directors or majority shareholders shall take any action initiating any of the foregoing actions described in clauses (a) through (f); (g) (i) thirty (30) days shall have expired after the commencement of an involuntary action against such entity seeking reorganization, arrangement, composition, readjustment, liquidation, receivership, examinership, dissolution or similar relief under any present or future statute, law or regulation, without such action being dismissed or all orders or proceedings thereunder affecting the operations or the business of such entity being stayed, (ii) a stay of any such order or proceedings shall thereafter be set aside and the action setting it aside shall not be timely appealed, (iii) such entity shall file any answer admitting or not contesting the material allegations of a petition filed against such entity in any such proceedings, (iv) the court in which such proceedings are pending shall enter a decree or order granting the relief sought in any such proceedings, or (v) thirty (30) days shall have expired after the appointment, without the consent or acquiescence of such entity of any trustee, receiver, examiner or liquidator of such entity or of all or any substantial part of the properties of such entity without such appointment being vacated; (h) such entity is dissolved (other than pursuant to a consolidation, liquidation amalgamation or merger or a voluntary liquidation or dissolution of an entity other than Parent into another Loan Party); (i) such entity institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official; (j) such entity has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (i) above and (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation thereof; (k) such entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (k) above; or (l) such entity takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"***Insolvency Proceeding***" is any proceeding by or against any Person under the United States Bankruptcy Code, any Insolvency Event 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 similar relief.

"***Intellectual Property***" means all of each Loan Party's Copyrights; Trademarks; Patents; Licenses; trade secrets and inventions; mask works; service marks, designs, business names, data base rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered; each Loan Party's applications therefor and reissues, extensions, or renewals thereof; and each Loan Party's goodwill associated with any of the foregoing, together with each Loan Party's rights to sue for past, present and future infringement of Intellectual Property and the goodwill associated therewith.

"***Intercreditor Agreement***" is defined in the definition of Permitted Indebtedness.

"***Inventory***" means "***inventory***" as defined in Article 9 of the UCC.

"***Investment***" means any beneficial ownership (including shares, stock, partnership or limited liability company interests) of or in any Person, or any loan, advance or capital contribution to any Person or the acquisition of all, or substantially all, of the assets of another Person.

"***Ireland***" means the Republic of Ireland and "Irish" shall be construed accordingly.

"***Irish Security Documents***" means the following documents each in a form and substance reasonably satisfactory to Agent: (a) an Irish law governed debenture over all of the assets (both present and future) of Myovant Ireland, (b) an Irish law governed share charge over the entire issued share capital of Myovant Ireland and (c) such other documents incidental to the foregoing as Agent may reasonably determine.

"***Joinder Documents***" means for each Subsidiary, a completed and executed (i) Joinder Agreement in substantially the form attached hereto as **Exhibit A**, and (ii) joinder documentation in form and substance reasonably satisfactory to Agent joining such Subsidiary as a party under the Bermuda Security Documents, English Security Documents, Irish Security Documents, Swiss Security Documents or similar security documents under the relevant jurisdictions, as applicable, with respect to Subsidiaries organized outside of the United States or any of the foregoing jurisdictions.

"***Lender***" has the meaning given to it in the preamble to this Agreement.

"***License***" means any Copyright License, Patent License, Trademark License or other license of rights or interests.

"***Lien***" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, and any other security interest or any other agreements or arrangement having a similar effect, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, and any lease in the nature of a security interest.

"***Loan***" means the Advances made under this Agreement.

"***Loan Documents***" means this Agreement, the Notes (if any), the ACH Authorization, the Account Control Agreements, the Joinder Documents, the Disclosure Letter, all UCC Financing Statements, the Warrant, the Pledge Agreement, the Intercreditor Agreement, the Bermuda Security Documents, the English Security Documents, the Irish Security Documents, the Swiss Security Documents and any other documents executed in connection with the Secured Obligations or the transactions contemplated hereby, as the same may from time to time be amended, modified, supplemented or restated.

"***Loan Party***" means Borrower and each Guarantor.

"***Material Adverse Effect***" means (i) a material adverse effect upon: (a) the business, operations, properties, assets or financial condition of the Loan Parties and their Subsidiaries, taken as a whole; (b) the ability of the Loan Parties, taken as a whole, to perform or pay the Secured Obligations in accordance with the terms of the Loan Documents, or the ability of Agent or any Lender to enforce any of its rights or remedies with respect to the Secured Obligations or (c) the Collateral or Agent's Liens on the Collateral or the priority of such Liens; or (ii) the occurrence of a Study Product Failure.

"***Maximum Amount***" has the meaning given to it in **Section 11.21(a)**.

"***Maximum Rate***" has the meaning given to it in **Section 2.02**.

"***Maximum Term Loan Amount***" means Forty Million and No/100 Dollars ($40,000,000).

"***New Drug Application***" means a new drug application in the United States for authorization to market a product, as defined in the applicable laws and regulations and submitted to the FDA.

"***Nominal Shares***" means director's qualifying shares or other shares required by applicable laws to be owned by a Person other than the Borrower and/or one or more of its Subsidiaries.

"***Note(s)***" means a Term Note.

"***NovaQuest***" means NovaQuest Pharma Opportunities Fund IV, L.P.

"***NovaQuest Intercreditor Agreement***" means the Intercreditor Agreement, dated as of the date hereof, between Agent, NovaQuest and the Loan Parties.

"***NovaQuest Note Documents***" means (a) the NovaQuest SPA, (b) the notes issued pursuant to the NovaQuest SPA and (c) the other Note Documents (as defined in the NovaQuest SPA), in each case subject to the terms of the NovaQuest Intercreditor Agreement.

"***NovaQuest SPA***" means that certain Securities Purchase Agreement dated as of October 16, 2017, among Parent, Myovant England, Myovant Switzerland, Myovant Ireland, Myovant Delaware, the other issuers and guarantors party thereto from time to time, NovaQuest as agent and purchaser and the other purchasers party thereto from time to time, subject to the terms of the NovaQuest Intercreditor Agreement.

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

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

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

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

"***Participant***" has the meaning given to it in **Section 11.07(d)(i)**.

"***Participant Register***" has the meaning given to it in **Section 11.07(d)(ii)**.

"***Patent License***" means any written agreement granting any right with respect to any invention on which a Patent is in existence or a Patent application is pending, in which agreement any Loan Party now holds or hereafter acquires any interest.

"***Patents***" means all letters patent of, or rights corresponding thereto, in the United States of America or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States of America, Bermuda, the United Kingdom, Ireland, Switzerland or any other country.

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

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

(b) if such acquisition is structured as a stock acquisition, then the Person so acquired shall either (i) become a wholly-owned Subsidiary of a Loan Party or of a Subsidiary and such Loan Party shall comply, or cause such Subsidiary to comply, with **Section 7.13** hereof or (ii) such Person shall be merged with and into a Loan Party (with such Loan Party being the surviving entity);

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

(d) Parent shall have delivered to Lender at least seven (7) days prior to the date of such acquisition, notice of such acquisition together with copies of then-current drafts of all material documents relating to such acquisition, and, to the extent available, historical financial statements for such acquired entity, division or line of business, and pro forma financial information demonstrating compliance with the covenant set forth in **Section 7.16** hereof on a pro forma basis;

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

(f) immediately after such acquisition, either, in each case subject to calculation and documentation certified by the Chief Financial Officer of Borrower and verification by Agent in its reasonable discretion, (A) the Loan Parties' Unrestricted Cash is greater than an amount equal to the Loan Parties' projected cash burn (including for the avoidance of doubt all costs – research, development or otherwise) for the six (6) month period ending after the end of calendar month immediately after the consummation of such acquisition (or if such acquisition is closed in multiple steps or "closings", then for each such step or "closing"), or (B) the Loan Parties' Unrestricted Cash plus commitments for additional financings is greater than an amount equal to the Loan Parties' projected cash burn (including for the avoidance of doubt all costs – research, development or otherwise) for the six (6) month period ending after the end of calendar month immediately after the consummation of such acquisition (or if such acquisition is closed in multiple steps or "closings", then for each such step or "closing"), provided that any acquisitions consummated pursuant to this clause (B) shall not exceed an aggregate total consideration of Five Million Dollars ($5,000,000).

"***Permitted Convertible Debt Financing***" means issuance by any Loan Party of senior unsecured convertible or exchangeable notes in an aggregate principal amount of not more than Two Hundred Fifty Million Dollars ($250,000,000); provided that such notes shall (a) be issued only after Borrower has requested and received Advances under this Agreement equal to at least Twenty Million Dollars ($20,000,000) and has issued notes under the NovaQuest Note Documents equal to at least Six Million Dollars ($6,000,000), (b) be unsecured and not be guaranteed by any Subsidiary that is a Loan Party hereunder, (c) not provide for (i) any scheduled payment or mandatory prepayment of principal or (ii) have a scheduled maturity date or any mandatory prepayments or redemptions of principal (other than customary change of control, fundamental change or asset sale repurchase obligations and cash payments in lieu of fractional shares upon the conversion or exchange thereof) at the option of the holder thereof, in each case earlier than one hundred eighty-one (181) days after the Term Loan Maturity Date, (d) contain usual and customary subordination terms for underwritten offerings of senior subordinated convertible notes (it being agreed that subordination terms substantially in the form of **Exhibit E** attached hereto shall be deemed usual and customary), (e) specifically designate this Agreement and all Secured Obligations as "designated senior indebtedness" or similar term so that the subordination terms referred to in clause (d) of this definition specifically refer to such notes as being subordinated to the Secured Obligations pursuant to such subordination terms and (f) be convertible or exchangeable for ordinary shares of Parent, or cash, ordinary shares of Parent, or any combination thereof at the option of Parent.

"***Permitted Indebtedness***" means: (i) Indebtedness of any Loan Party in favor of Lender or Agent arising under this Agreement or any other Loan Document; (ii) Indebtedness existing on the Closing Date which is disclosed in Schedule 1B to the Disclosure Letter; (iii) Indebtedness in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000) at any time outstanding, secured by a Lien described in clause (vii) of the definition of Permitted Liens provided that such Indebtedness does not exceed the cost of the assets financed with such Indebtedness; (iv) Indebtedness to trade creditors incurred in the ordinary course of business, (v) Indebtedness incurred in the ordinary course of business with corporate credit cards; (vi) Indebtedness (excluding all Indebtedness owed pursuant to the NovaQuest Note Documents) (including intercompany Indebtedness) that constitutes a Permitted Investment; (vii) Subordinated Indebtedness; (viii) reimbursement obligations in connection with letters of credit and cash management services (including, for the avoidance of doubt, credit cards, merchant cards, purchase cards and debit cards) and issued on behalf of Borrower or a Subsidiary thereof in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000) at any time outstanding; (ix) Indebtedness secured by a Lien described in clause (xi) of "Permitted Liens"; (x) other unsecured Indebtedness in an aggregate principal amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) at any time outstanding; (xi) Permitted Convertible Debt Financing; (xii) obligations under any Hedging Agreement; (xiii) Indebtedness arising from agreements providing for earn-outs, milestones, royalties, indemnification, adjustment of purchase price or similar obligations, or from guaranties or performance bonds securing the performance of Parent or any of its Subsidiaries pursuant to such agreements, in connection with Permitted Acquisitions; (xiv) extensions, refinancings and renewals of any of the foregoing clauses (i)-(xiii), provided that the maturity thereof is not shortened and principal amount is not increased or the terms modified to impose materially more burdensome terms upon Borrower, the Loan Parties or their Subsidiaries, as the case may be, except to the extent of any premiums or penalties, accrued and unpaid interest thereon and reasonable fees and expenses associated with such extensions, refinancing and renewals and (xv) Indebtedness ("***Permitted Subordinated Debt***") under one or more credit facilities in an aggregate principal amount not to exceed the "Subordinated Debt Cap" permitted under the NovaQuest Intercreditor Agreement; provided that the lenders thereof or their representative or agent (as applicable, the "***Permitted Subordinated Debt Representatives***") have executed and delivered to Agent an intercreditor agreement in form and substance no less favorable to Agent than the NovaQuest Intercreditor Agreement (an "***Intercreditor Agreement***").

"***Permitted Investment***" means: (i) Investments existing on the Closing Date which are disclosed in Schedule 1C to the Disclosure Letter and any modification, replacement, renewal or extension thereof (provided that the net investment amount is not increased); (ii) (a) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, (b) commercial paper maturing no more than one year from the date of creation thereof and currently having a rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, (c) certificates of deposit issued by any bank with assets of at least Five Hundred Million Dollars ($500,000,000) maturing no more than one year from the date of investment

therein, (d) money market accounts, (e) investments denominated in the currency of foreign jurisdictions with a maturity of not more than one year from the date of acquisition thereof which are substantially similar (including creditworthiness) to the items specified in clauses (a) through (d) of this clause (ii) made in the ordinary course of business, (f) securities of government sponsored entities having ratings of at least AAA by Moody's (or the then equivalent grade) or AAA by S&P (or the then equivalent grade) as of the date of acquisition and having maturities not more than one year from the date of acquisition thereof, (g) in the case of Parent or any Foreign Subsidiary, other short-term investments that are analogous to those referenced in the foregoing clauses (a) through (f), are of comparable credit quality and are customarily used by the companies in the jurisdiction of Parent or such Foreign Subsidiary for cash management purposes, and (h) other Investments described in Parent's investment policy as approved by Agent in writing (it being understood that the investment policy provided to Agent prior to the Closing Date shall be deemed approved in writing) and the Board from time to time; (iii) (a) Investments in Loan Parties (including, without limitation, any Guarantors), (b) Investments in newly-formed Subsidiaries, provided that each such Subsidiary enters into Joinder Documents within the time periods specified in **Section 7.13** and executes such other related documents as shall be reasonably requested by Agent, (c) Investments in Subsidiaries constituting guarantees of obligations that do not constitute Indebtedness and (d) other Investments in Subsidiaries that are not Loan Parties in an aggregate net amount not to exceed One Million Dollars ($1,000,000); (iv) equity derivatives and stock repurchases (including, without limitation, by means of accelerated stock repurchases and forward purchases) as permitted by **Section 7.07**, in each case provided that no Event of Default has occurred, is continuing or would exist immediately after entry into the agreement governing such derivatives or stock repurchases; (v) Investments accepted in connection with Permitted Transfers; (vi) Investments (including Indebtedness) (a) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent or doubtful obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower's business and (b) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; (vii) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this subparagraph (vii) shall not apply to Investments of Borrower in any Subsidiary; (viii) Investments consisting of loans not involving the net transfer on a substantially contemporaneous basis of cash proceeds to employees, officers or directors relating to the purchase of shares of Parent pursuant to employee share or stock purchase plans or other similar agreements approved by the Board; (ix) Investments consisting of travel advances, relocation loans, and other loan advances (or guarantees thereof) to employees, officers and directors in the ordinary course of business; (xi) Investments consisting of Permitted Acquisitions and any Investments of any Person in existence at the time such Person becomes a Subsidiary; provided such Investment was not made in connection with or anticipation of such Person becoming a Subsidiary and any modification, replacement, renewal or extension thereof (provided that the net investment amount is not increased); (xii) Hedging Agreements permitted under clause (xii) of the definition of Permitted Indebtedness; and (xiv) additional Investments that do not exceed Two Million Five Hundred Thousand Dollars ($2,500,000) in the aggregate net outstanding amount.

"***Permitted Liens***" means any and all of the following: (i) Liens in favor of Agent or Lender; (ii) Liens existing on the Closing Date which are disclosed in Schedule 1D to the Disclosure Letter; (iii) Liens for Taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; provided that Borrower maintains adequate reserves therefor in accordance with GAAP or IFRS, as applicable (to the extent required thereby); (iv) Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like Persons arising in the ordinary course of business and imposed without action of such parties; provided that the payment thereof is not yet sixty (60) days past due; (v) Liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default hereunder; (vi) deposits to secure the performance of obligations (including by way deposits to secure letters of credit issued to secure the same) under commercial supply and/or manufacturing agreements and the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than Liens arising under ERISA or environmental Liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds; (vii) Liens on Equipment, software, other intellectual property or other assets constituting purchase money Liens and Liens in connection with capital leases securing Indebtedness permitted in clause (iii) of "Permitted Indebtedness"; (viii) Liens incurred in connection with Subordinated Indebtedness; (ix) leasehold interests in leases or subleases and licenses or sublicenses granted in the ordinary course of business and not interfering in any material respect with the business of the licensor; (x) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due; (xi) Liens on insurance proceeds securing the payment of financed insurance premiums that are promptly paid on or before the date they become due (provided that such Liens extend only to such insurance proceeds and not to any other property or assets); (xii) statutory and common law rights of set-off and other similar rights as to deposits of cash and securities in favor of banks, other depository institutions and brokerage firms; (xiii) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business so long as they do not materially impair the value or marketability of the related property; (xiv) (A) Liens on Cash securing obligations permitted under clauses (v) and/or (viii) of the definition of Permitted Indebtedness and (B) security deposits in connection with real property leases, the combination of (A) and (B) in an aggregate amount not to exceed Three Million Five Hundred Thousand Dollars ($3,500,000) at any time; (xv) other Liens in an aggregate amount not to exceed

One Million Dollars ($1,000,000) at any time; provided that such liens be limited to specific assets and not all assets or substantially all assets of Borrower; (xvi) Liens securing Indebtedness permitted in clause (xv) of "Permitted Indebtedness"; provided that the collateral subject to any such Liens shall consist of Collateral hereunder and such Liens shall be subordinated to the Liens of the Agent under the Loan Documents on the terms set forth in the Intercreditor Agreement; (xvii) Liens incurred in connection with sales, transfers, licenses, sublicenses, leases, subleases or other dispositions of assets in the ordinary course of business and permitted by **Section 7.08** (including, for the avoidance of doubt, any Permitted Transfer) and, in connection therewith, customary rights and restrictions contained in agreements relating to such transactions pending the completion thereof or during the term thereof, and any option or other agreement to sell, transfer, license, sublicense, lease, sublease or dispose of an asset permitted by **Section 7.08** (including, for the avoidance of doubt, any Permitted Transfer); (xviii) Liens in favor of a Loan Party; and (xix) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clauses (i) through (xviii) above; provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase, except to the extent of any premiums or penalties, accrued and unpaid interest thereon and reasonable fees and expenses associated with such extensions, refinancing and renewals.

"***Permitted Subordinated Debt Representatives***" is defined in the definition of Permitted Indebtedness.

"***Permitted Transfers***" means (i) sales, transfers and other dispositions of Inventory in the ordinary course of business, (ii) (a) non-exclusive inbound and outbound licenses, sublicenses and similar arrangements for the use of Intellectual Property and related assets in the ordinary course of business and (b) other licenses and sublicenses that (1) could not result in a legal transfer of title of the licensed property and (2) if in the field of women's health, are not exclusive as to territory as to the United States, (iii) sales, transfers and other dispositions to Loan Parties and sales, transfers and other dispositions expressly permitted under **Sections 7.05**, **7.06** or **7.07**, (iv) sales, transfers and other dispositions constituting arms-length transactions of worn-out, obsolete or surplus assets, (v) transfers of equipment or real property to the extent that (a) such property is exchanged for credit against the purchase price of similar replacement property or (b) the proceeds of such transfer are reasonably promptly applied to the purchase price of such replacement property, (vi) the surrender, waiver or settlement of contractual rights in the ordinary course of business, or the surrender, waiver or settlement of claims and litigation claims (whether or not in the ordinary course of business; provided that in the event of any surrender, waiver or settlement of any rights and claims outside the ordinary course of business in an amount in excess of $1,000,000 no Event of Default shall have occurred and be continuing at the time of such surrender, waiver or settlement), (vii) the use of Cash subject to the restrictions and limitations set forth in the Loan Documents, and (viii) other transfers of assets having a fair market value of not more than One Million Dollars ($1,000,000) in the aggregate in any fiscal year.

"***Person***" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, other entity or government.

"***Pledge Agreement***" means the Pledge Agreement dated as of the Closing Date between Myovant England and Agent, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"***Prepayment Charge***" has the meaning given to it in **Section 2.05(a)**.

"***Qualified Equity Interests***" means Equity Interests that are not Disqualified Equity Interests.

"***Qualifying Swiss Lender***" means any Lender which is entitled to claim the benefits of the double taxation treaty between Switzerland and the U.S. dated October 2, 1996, and thus, is entitled to a full reclaim of any withholding tax levied on interest payments, as per article 11 para. 1 of the double taxation treaty.

"***Receivables***" means (i) all of each Loan Party's Accounts, Instruments, Documents, Chattel Paper, Supporting Obligations, letters of credit, proceeds of any letter of credit, and Letter of Credit Rights, and (ii) all customer lists, software, and business records related thereto.

"***Register***" has the meaning given to it in **Section 11.07**.

"***Regulatory Approval***" means, for the Study Product, any and all approvals (including supplements, amendments, pre- and post-approvals), licenses, registrations, or authorizations of any Governmental Authority (including any pricing and reimbursement approvals, if required prior to sale in the applicable country or group of countries) that are necessary for the marketing and sale of a pharmaceutical product in a country or group of countries.

"***Required Lenders***" means at any time, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans then outstanding.

"***Roivant***" means, collectively, Roivant Sciences, Ltd. and its controlled Affiliates (excluding the Parent and its direct and indirect Subsidiaries).

"***Roivant Documents***" has the meaning given to it in **Section 5.06(b)**.

"***Sanctioned Country***" shall mean, at any time, a country or territory which is the subject or target of any Sanctions.

"***Sanctioned Person***" shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"***Sanctions***" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"***Secured Obligations***" means each Loan Party's obligations under this Agreement and any Loan Document (other than the Warrant), including any obligation to pay any amount now owing or later arising.

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

"***Study Product***" means Borrower's gonadotropin-releasing hormone receptor antagonist, commonly known as relugolix.

"***Study Product Failure***" means either (i) the early termination of each of the Clinical Studies or (ii) each of the Clinical Studies for any Indication have failed to achieve the primary endpoints identified in the protocol for such Clinical Study.

"***Subordinated Indebtedness***" means Indebtedness subordinated to the Secured Obligations in amounts and on terms and conditions satisfactory to Agent in its reasonable discretion.

"***Subsidiary***" means an entity, whether corporate, partnership, limited liability company, joint venture or otherwise, in which any Loan Party owns or controls 50% or more of the outstanding voting securities, including each entity listed on Schedule 1 to the Disclosure Letter.

"***Swiss Guarantor***" has the meaning set forth in **Section 11.21**.

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

"***Swiss Federal Tax Administration***" means the tax authorities referred to in article 34 of the Swiss Withholding Tax Act.

"***Swiss Security Documents***" means the following documents, each in form and substance reasonably satisfactory to Agent: (a) a quota pledge agreement between Myovant England as pledgor and Agent as pledgee, regarding the pledgor's quotas in Myovant Switzerland, (b) a bank account pledge agreement between Myovant Switzerland as pledgor and Agent as pledgee, regarding certain of the pledgor's bank accounts, (c) a security assignment agreement between Myovant Switzerland as assignor and Agent as assignee, regarding certain of the assignor's insurance receivables, intra-group receivables and trade receivables, and (d) such other documents incidental to the foregoing documents as Agent may reasonably determine necessary.

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

"***Swiss Withholding Tax Act***" means the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*), together with the related ordinances, regulations and guidelines, all as amended and applicable from time to time.

"***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.

"***Tax Credit***" means a credit against, relief or remission for, or repayment of, any Taxes.

"***Term Commitment***" means as to any Lender, the obligation of such Lender, if any, to make an Advance to Borrower in a principal amount not to exceed the amount set forth under the heading "***Term Commitment***" opposite such Lender's name on **Schedule 1.01(b)** attached hereto.

"***Term Commitment Termination Date***" means the earlier of (a) March 31, 2018, or (b) the date on which a Study Product Failure occurs.

"***Term Loan***" has the meaning given to it in the recitals.

"***Term Loan Interest Rate***" means for any day a per annum rate of interest equal to the greater of either (i) the prime rate as reported in The Wall Street Journal plus 4.00%, and (ii) 8.25%.

"***Term Loan Maturity Date***" means May 1, 2021; provided however, if the Financing Milestone is achieved on or before December 31, 2018, it means November 1, 2021.

"***Term Note***" means a Promissory Note in substantially the form attached hereto as **Exhibit B**.

"***Trademark License***" means any written agreement granting any right to use any Trademark or Trademark registration, now owned or hereafter acquired by any Loan Party or in which any Loan Party now holds or hereafter acquires any interest.

"***Trademarks***" means all trademarks (registered, common law or otherwise) and any applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof, Bermuda, the United Kingdom, Ireland, Switzerland or any other country or any political subdivision thereof.

"***UCC***" means the Uniform Commercial Code as the same is, from time to time, in effect in the State of New York; provided 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 as the same is, from time to time, in effect in a jurisdiction other than the State of New York, then the term "***UCC***" shall mean the Uniform Commercial Code as in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"***UCC Collateral***" has the meaning given to it in **Section 3.01**.

"***U.K.***" means the United Kingdom.

"***U.K. Withholding Tax***" means any Taxes imposed by way of deduction or withholding by the U.K.

"***U.K. Treaty Lender***" means a Lender that is eligible to receive payments of interest hereunder with a reduced (including to nil) deduction for U.K. Withholding Tax on the basis of an applicable double tax treaty between the U.K. and the jurisdiction in which such Lender is resident for tax purposes, subject to the completion of any necessary procedural formalities.

"***U.K. Pensions Regulator***" means the body corporate known as the Pensions Regulator and established by Part 1 of the U.K. Pensions Act 2004.

"***Unrestricted Cash***" means, as of any date of determination (a) Cash held by a Loan Party, in each case subject to an Account Control Agreement *minus* (b) the amount of the Loan Parties' accounts payable under GAAP not paid after the 120th day following the invoice date for such accounts payable.

"***Upstream or Cross-Stream Secured Obligations***" has the meaning set forth in **Section 11.21(a)**.

"***Warrant***" means any warrant entered into in connection with the Loan, as may be amended, restated or modified from time to time.

"***Withholding Agent***" means Borrower and the Agent.

Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a "Section", "subsection", "Exhibit", "Annex", or "Schedule" shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement or the Disclosure Letter, as applicable. Unless otherwise specifically provided herein, any accounting term used in this Agreement or the other Loan Documents shall have the meaning customarily given such term in accordance with GAAP or IFRS, as applicable, and all financial computations hereunder shall be computed in accordance with GAAP or IFRS, as applicable, consistently applied. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the audited financial statements for fiscal year ending March 31, 2016 for all purposes of this Agreement, notwithstanding any change in GAAP or IFRS, as applicable, relating thereto, or the adoption of IFRS, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes. Unless otherwise defined herein or in the other Loan Documents, terms that are used herein or in the other Loan Documents and defined in the UCC shall have the meanings given to them in the UCC.

1.02 Currency Exchange. For purposes of any determination under this Agreement measured in Dollars, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the spot rate for the purchase of Dollars for the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" or as made available by any other source reasonably acceptable to the Agent on the date of such determination; provided, however, that (a) for purposes of determining compliance with respect to the amount of any Indebtedness, Transfer, Investment, transaction permitted by **Section 7.07** or judgment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred as a result of changes in rates of exchange occurring after the time such Indebtedness is incurred, or Asset Disposition, Investment or transaction permitted by **Section 7.07** is made, or such judgment entered, and (b) notwithstanding anything herein to the contrary, nothing in this paragraph changes, modifies or alters the obligations of any Loan Party to pay all amounts owed hereunder in the Dollar amount required hereunder notwithstanding any changes or other fluctuations with respect to any currency exchanged into Dollars. No default or Event of Default shall arise as a result of any limitation or threshold set forth in Dollars being exceeded solely as a result of changes in currency exchange rates.

SECTION 2 THE LOANS

2.01 Term Loans.

(a) **Advances**. Subject to the terms and conditions of this Agreement, Lender will severally (and not jointly) make Advances in an amount not to exceed its respective Term Commitment. Borrower agrees to draw an Advance of Twenty Five Million Dollars ($25,000,000) on the Closing Date. Beginning on the Closing Date and continuing until the day immediately preceding the Term Commitment Termination Date, Borrower may request additional Advances in an aggregate amount up to Fifteen Million Dollars ($15,000,000) in minimum increments of Five Million Dollars $5,000,000. The aggregate outstanding Advances may be up to the Maximum Term Loan Amount.

(b) **Advance Request**. To obtain an Advance, prior to the Term Commitment Termination Date, Borrower shall complete, sign and deliver an Advance Request at least fifteen (15) Business Days (one (1) Business Day in the case of the Advance on the Closing Date) before the requested Advance Date to Agent. Lender shall fund the Advance in the manner requested by the Advance Request; provided that each of the conditions precedent to such Advance is satisfied as of the requested Advance Date.

(c) **Term Loan Interest Rate**. The principal balance shall bear interest thereon from such Advance Date in an amount equal to the product of the outstanding Term Loans principal balance multiplied by the Term Loan Interest Rate based on a year consisting of 360 days, with interest computed daily based on the actual number of days elapsed. The Term Loan Interest Rate will float and change on the day the prime rate changes from time to time.

(d) **Payment**. Borrower will pay the accrued but unpaid interest on each Advance on the first Business Day of each month, beginning the month after the Advance Date.

(e) Borrower shall repay the aggregate principal balance of the Term Loans that is outstanding on the day immediately preceding the Amortization Date in equal monthly installments of principal and interest (mortgage style) beginning on the Amortization Date and continuing on the first Business Day of each month thereafter until the Term Loans are repaid. Any remaining outstanding principal balance of the Term Loans, together with any and all accrued but unpaid interest hereunder, shall be due and payable on the Term Loan Maturity Date. Subject to **Section 2.08**, Borrower shall make all payments under this Agreement without setoff, recoupment or deduction and regardless of any counterclaim or defense. Borrower shall wire in immediately available funds in Dollars to Agent or Lender, as applicable and in each case as specified in writing by Agent or Lender, or Lender will initiate debit entries to the Borrower's account as authorized on the ACH Authorization, in each case (i) on each payment date of all periodic obligations payable to Lender under each Advance and (ii) out-of-pocket legal fees and costs incurred by Agent or Lender in connection with **Section 11.12** of this Agreement.

2.02 Maximum Interest. Notwithstanding any provision in this Agreement or any other Loan Document, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of New York shall be deemed to be the laws relating to permissible rates of interest on commercial loans) (the "***Maximum Rate***"). If a court of competent jurisdiction shall finally determine that Borrower has actually paid to Lender an amount of interest in excess of the amount that would have been payable if all of the Secured Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Borrower shall be applied as follows: first, to the payment of the Secured Obligations consisting of the outstanding principal; second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees and any other Secured Obligations; and third, after all Secured Obligations are repaid, the excess (if any) shall be refunded to Borrower.

2.03 Default Interest. In the event any payment is not paid on the scheduled payment date, an amount equal to five percent (5%) of the past due amount shall be payable on demand. In addition, upon the occurrence and during the continuation of an Event of Default hereunder, all Secured Obligations, including principal, interest, compounded interest, and professional fees shall bear interest at a rate per annum equal to the rate set forth in **Section 2.01(c)** plus five percent (5%) per annum. In the event any interest is not paid when due hereunder, delinquent interest shall be added to principal and shall bear interest on interest, compounded at the rate set forth in **Section 2.01(c)** or **Section 2.03**, as applicable.

2.04 [Reserved].

2.05 Prepayment; Termination.

(a) At its sole option upon at least seven (7) Business Days (or such shorter period as agreed by Agent in writing) prior notice to Agent, Borrower may prepay all or any portion greater than or equal to Five Million Dollars ($5,000,000) of the outstanding Advances by paying the entire principal balance (or such portion thereof), all accrued and unpaid interest with respect to the principal balance being prepaid, plus all fees and other amounts owing under the Loan Documents at such time, together with a prepayment charge equal to the following percentage of the Advance amount being prepaid: if such Advance amounts are prepaid in any of the first twelve (12) months following the Closing Date, 3.00%; after twelve (12) months but on or prior to twenty four (24) months following the First Call Date, 2.00%; and thereafter, 1.00% (each, a "***Prepayment Charge***").

(b) Borrower agrees that the Prepayment Charge is a reasonable calculation of Lender's lost profits in view of the difficulties and impracticality of determining actual damages resulting from an early repayment of the Advances.

(c) Borrower shall prepay the outstanding amount of all principal and accrued interest of all Advances plus all other fees and amounts owing under the Loan Documents through the prepayment date and the applicable Prepayment Charge upon the occurrence of a Change in Control.

(d) Notwithstanding the foregoing, Agent and Lender agree to waive the Prepayment Charge if Agent and Lender or any affiliate of Agent or Lender (in its sole discretion) agree in writing to refinance the Advances prior to the Maturity Date.

(e) In connection with any prepayment of all outstanding Obligations or if otherwise Obligations are outstanding, Borrower may terminate this Agreement by written notice to Agent and Lender, whereupon the Term Commitments shall terminate.

2.06 Notes. If so requested by Lender by written notice to Borrower, then Borrower shall execute and deliver to Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of Lender pursuant to **Section 11.14**) (promptly after the Borrower's receipt of such notice) a Note or Notes to evidence Lender's Loans.

2.07 Pro Rata Treatment. Each payment (including prepayment) on account of any fee and any reduction of the Term Loans shall be made pro rata according to the Term Commitments of the relevant Lender.

2.08 Taxes.

(a) Defined Terms. For purposes of this **Section 2.08**, the term "applicable law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. 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 be entitled to make such deduction or withholding in the minimum amount required by law 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 the applicable Loan Party 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) the Lender or Agent, as applicable, receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent, timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Lender or Agent, as applicable, within ten (10) 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) payable or paid by such Lender or Agent, as applicable, or required to be withheld or deducted from a payment to such Lender or Agent, as applicable (other than where the Indemnified Tax is compensated for by an increased payment under **Section 2.08(b)**), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, 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 and (iii) any Taxes attributable to such Lender's failure to comply with the provisions of **Section 11.07(d)(ii)** relating to the maintenance of a Participant Register. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this **Section 2.08**, such Loan Party shall deliver to the 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 the Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and the Agent, at the time or times reasonably requested by Borrower or the Agent (or, with respect to U.K. Withholding Taxes, deliver to Borrower and the Agent or submit to the appropriate Governmental Authority (as relevant) within twenty (20) days after a written request by Borrower or the Agent) such properly completed and executed documentation reasonably requested by Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Notwithstanding the above, in respect of U.K. Withholding Taxes, the original Lender shall submit a Form US-Company to the Internal Revenue Service within five (5) Business Days of the date this Agreement. Each Lender and each Loan Party shall co-operate in completing any procedural formalities necessary for that Loan Party to make that payment without or with reduced withholding. In addition, any Lender, if requested by the Borrower or the Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Upon the reasonable request of the Borrower or the Agent, any Lender shall update any form or certification previously delivered pursuant to this **Section 2.08(g)**. If any form or certification previously delivered pursuant to this **Section 2.08(g)** expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify the Borrower and the Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so. Notwithstanding anything to the contrary in the preceding four sentences, the completion, execution and submission of such documentation (other than the documentation described in **Section 2.08(g)(iii)** 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.

(ii) Notwithstanding anything to the contrary herein, a U.K. Treaty Lender shall be deemed to have satisfied the requirements of **Section 2.08(g)** in respect of U.K. Withholding Tax if such Lender has either (x) in the case where the Lender holds a passport under the HMRC double tax treaty scheme and wishes it to apply to this Agreement, notified Borrower and Agent of its scheme reference number under the HMRC treaty passport scheme and its jurisdiction of tax residence; or (y) submitted an application for withholding tax relief under the applicable double tax treaty to the appropriate tax authority, in each case without regard to whether any direction has been received by the Borrower from HMRC. If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with the above and the Borrower has not made a Borrower DTTP Filing in respect of that Lender; or the Borrower making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but that Borrower DTTP Filing has been rejected by HMRC; or HMRC has not given the Borrower authority to make payments to that Lender without a deduction for U.K. Withholding Tax within 60 days of the date of the Borrower DTTP Filing, and in each case, the Borrower has notified that Lender in writing, that Lender and the Borrower shall co-operate in completing any additional procedural formalities necessary for that Borrower to obtain authorisation to make that payment without a deduction or withholding respect of U.K Withholding Tax. The Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the relevant Lender. If a UK Treaty Lender has not confirmed its HMRC passport scheme reference number and jurisdiction of tax residence in accordance with this paragraph, no Borrower shall make a Borrower DTTP Filing or file any other form relating to the HMRCHM Revenue & Customs DT Treaty Passport scheme in respect of that Lender's Loan(s) or Term Commitment(s) unless that UK Treaty Lender otherwise agrees.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Agent 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 Code) and such additional documentation 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 such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Each Lender agrees that if it becomes aware that any form or certification it previously delivered has expired or become obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(iv) To the extent that interest payable by the Borrower (or any intra-group loans) becomes subject to Swiss Withholding Tax, the Borrower shall obtain a confirmation from the Swiss Federal Tax Administration that interest payments are not subject to the Swiss Withholding Tax even if the proceeds are used in Switzerland (the Tax Ruling). The proceeds shall be used exclusively outside Switzerland until the Tax Ruling has been obtained.

(v) Qualifying Swiss Lender.

(A) Each Lender which becomes a party to this Agreement after the Closing Date shall represent, in the applicable assignment agreement which it executes on becoming a party, and for the benefit of the Agent and without liability to any Borrower, which of the following categories it falls in:

(1)not a Qualifying Swiss Lender;

(2)a Qualifying Swiss Lender.

(h) Treatment of Certain Tax Credits.

(i) In respect of the original Lender, if the Borrower has withheld and accounted to HMRC for U.K. Withholding Taxes at any time as a result of such Lender being a U.K. Treaty Lender entitled to a full exemption from U.K. Withholding Taxes (subject to the completion of any necessary procedural formalities) but the Borrower not yet having received a direction from HMRC allowing it to pay the Lender gross interest, then, promptly after the Borrower notifies the Lender of having received such direction, the Lender shall use its best efforts to obtain a Tax Credit for that amount, and the Borrower shall co-operate with the Lender in obtaining such Tax Credit. For the avoidance of doubt, if it subsequently transpires that the Lender was not, based on the circumstances existing at the time of making an increased payment pursuant to **Section 2.08(b)**, a U.K. Treaty Lender entitled to a full exemption from U.K. Withholding Taxes, the Lender will promptly repay to the Borrower an amount equal to the sum of any additional sums paid by the Borrower to the Lender pursuant to **Section 2.08(b)** to the extent such sums were paid solely on the basis of such Lender being a U.K. Treaty Lender (subject to the completion of any necessary procedural formalities).

(ii) If a Tax Credit is received by the Lender pursuant to **Section 2.08(h)(i)** or, any party determines, in its sole discretion exercised in good faith, that it has received a Tax Credit as to which it has been indemnified pursuant to this **Section 2.08** (including by the payment of additional amounts pursuant to this **Section 2.08**), the party who has received the Tax Credit shall pay to the indemnifying party an amount equal to such Tax Credit (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such Tax Credit), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such Tax Credit). 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 Tax Credit 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 Tax Credit 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.

(iii) If a Lender that is a Qualifying Swiss Lender has received additional payments pursuant to **Sections 2.08(b)** or **(d)** above with respect to any Swiss Withholding Tax, such Lender shall seek a refund of such Swiss Withholding Tax as soon as practicable.

(i) [Reserved.]

(j) [Reserved.]

(k) Increased Costs. If any Change in Law shall subject any Lender or the Agent to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (f) of the definition of Excluded Taxes and (iii) Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes) on its Loans, Term Commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, and the result of any of the foregoing shall be to increase the cost to such Lender or the Agent of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Lender or the Agent hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the Agent, Borrower will pay to such Lender or Agent, as the case may be, such additional amount or amounts as will compensate such Lender or Agent, as the case may be, for such additional costs incurred or reduction suffered.

(l) Survival. Each party's obligations under this **Section 2.08** shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Term Commitment and the repayment, satisfaction or discharge of all obligations under any Loan Document.

2.09 Fees.

(a) **Due Diligence Fee**. Borrower agrees to pay to the Agent the Due Diligence Fee.

(b) **Facility Fee**. Borrower agrees to pay to the Lender, the Facility Fee. The Facility Fee will be due in advance on the date hereof.

(c) **End of Term Charge**. On the earliest to occur of (i) the Term Loan Maturity Date, (ii) the date that Borrower prepays the outstanding Secured Obligations (other than any inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) in full, or (iii) the date that the Secured Obligations become due and payable, Borrower shall pay Lender a charge of 6.55% of the aggregate amount of Term Loans funded. Notwithstanding the required payment date of such charge, it shall be deemed earned by Lender as of the Closing Date.

(d) All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the Agent.

2.10 Mitigation Obligations. (a) If any Lender requests compensation under **Section 2.08(j)**, if any Borrower or Guarantor is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to **Section 2.08**, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant **to Section 2.08** in the future and (ii) would not subject such Lender to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Borrower hereby agrees to pay all costs and expenses reasonably incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under **Section 2.08(j)** or (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to **Section 2.08**, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in **Section 11.07**, all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon (including, for the avoidance of doubt, any additional amounts payable under **Section 2.08**), accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower, which shall be payable and calculated as if the Borrower were making a prepayment to such assigning Lender), (iii) in the case of any such assignment resulting from a claim for compensation or payments required to be made under **Section 2.08**, such assignment will result in a reduction in such compensation or payments and (iv) such assignment does not conflict with applicable law. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) If (i) any Lender requests compensation under **Section 2.08(j)** or (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to **Section 2.08**, then the Borrower and the Agent hereby agree to permit the transfer of the Secured Obligations from the Borrower to another Loan Party or to use commercially reasonable efforts to restructure the Loans in a manner that would eliminate or reduce amounts payable pursuant to **Section 2.08**.

SECTION 3 SECURITY INTEREST

3.01 As security for the prompt and complete payment when due (whether on the payment dates or otherwise) of all the Secured Obligations, each Loan Party grants to Agent a security interest in all of such Loan Party's right, title, and interest in and to the following personal property whether now owned or hereafter acquired (collectively, the "***UCC Collateral***"): (a) Receivables; (b) Equipment; (c) Fixtures; (d) General Intangibles (other than Intellectual Property); (e) Inventory; (f) Investment Property; (g) Deposit Accounts; (h) Cash; (i) Goods; and (j) all other tangible and intangible personal property (other than Intellectual Property) of such Loan Party whether now or hereafter owned or existing, leased, consigned by or to, or acquired by, such Loan Party and wherever located, and any of such Loan Party's property in the possession or under the control of Agent; and, to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing; provided, however, that the UCC Collateral shall include all Accounts and General Intangibles that consist of rights to payment and proceeds from the sale, licensing or disposition of all or any part, or rights in, the Intellectual Property (the "***Rights to Payment***"). Notwithstanding the foregoing, if a judicial authority (including a U.S. Bankruptcy Court) holds that a security interest in the underlying Intellectual Property is necessary to have a security interest in the Rights to Payment, then the UCC Collateral shall automatically, and effective as of the date of this Agreement, include the Intellectual Property to the extent necessary to permit perfection of Agent's security interest in the Rights to Payment.

3.02 Notwithstanding the broad grant of the security interest set forth in **Section 3.01**, above, the UCC Collateral shall not include any Excluded Assets.

3.03 If this Agreement is terminated in accordance with its terms, Agent's Lien in the Collateral shall continue until the Secured Obligations (other than inchoate indemnity obligations) are paid in full in accordance with the terms of this Agreement. At such time, the Collateral shall be released from the Liens created hereby, this Agreement and all obligations (other than those expressly stated to survive such termination) of the Agent, Lender and each Loan Party hereunder shall terminate all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall automatically revert to the Loan Parties. In addition, in connection with any Permitted Transfer of Collateral, the Agent hereby agrees to release such liens and to deliver such instruments and perform such acts as are necessary to effect such release at the request and expense of any Loan Party. Furthermore, at the reasonable request of any Loan Party, the Agent shall enter into intercreditor agreements with respect to Permitted Subordinated Debt. Agent shall execute such documents, return any Collateral held by Agent hereunder and take such other steps as are reasonably necessary to accomplish the foregoing, all at the Loan Parties' sole cost and expense.

3.04 Parent, Myovant England, Myovant Ireland and Myovant Switzerland have entered into the Bermuda Security Documents, English Security Documents, Irish Security Documents and/or Swiss Security Documents in each case pursuant to which they have granted security interests in, to and under the collateral described therein (such collateral, collectively, the "***Foreign Collateral***", and with the UCC Collateral, collectively, the "***Collateral***") in favor of Agent for the benefit of the Lenders.

SECTION 4 CONDITIONS PRECEDENT TO LOAN

The obligations of Lender to make the Loan hereunder are subject to the satisfaction by Borrower of the following conditions:

4.01 Closing Date. On or prior to the Closing Date, Borrower shall have delivered to Agent the following (other than as provided in Schedule 7.24 to the Disclosure Letter):

(a) executed copies of the Loan Documents (other than the Warrant, which shall be an original), a legal opinion of each of Loan Party's United States, Bermudian and Swiss counsel and Agent's Irish and English counsel, and all other documents and instruments reasonably required by Agent to effectuate the transactions contemplated hereby or to create and perfect the Liens of Agent with respect to all Collateral, in all cases in form and substance reasonably acceptable to Agent;

(b) certified copy of resolutions of each of the Loan Parties' respective boards of directors (and shareholder, with respect to Myovant England and Myovant Ireland) evidencing (i) approval of (A) the Loan and other transactions evidenced by the Loan Documents and (B) with respect to Parent, the Warrant and transactions evidenced thereby; (ii) authorizing a specified person or persons to execute the Loan Documents to which it is a party on its behalf and (iii) authorizing a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices (including, if relevant, any Advance Request or other relevant notice) to be signed and/or dispatched by it under or in connection with the Loan Documents to which it is a party;

(c) certificates (as customary in the jurisdiction of Myovant England and Myovant Ireland and containing specimen signatures) of a director confirming that guaranteeing or securing the Loans would not cause any guaranteeing or similar limit binding on Myovant England or Myovant Ireland to be exceeded and certifying that each copy document relating to it specified in this **Section 4**, is correct, complete and the original of such copy document, is in full force and effect and has not been amended or superseded as at a date no earlier than the Closing Date;

(d) certified copies of the constitutional documents and the bylaws (or local law equivalent thereof), as amended through the Closing Date, of each Loan Party;

(e) (if applicable) a certificate of good standing or compliance (or insolvency search) for each Loan Party from its jurisdiction of organization and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified would have a Material Adverse Effect;

(f) payment of the Facility Charge;

(g) payment of the Due Diligence Fee and reimbursement of Agent's and Lender's current expenses reimbursable pursuant to **Section 11.12** of this Agreement;

(h) an Advance Request for an Advance in an amount of at least Twenty-Five Million Dollars $25,000,000 pursuant to **Section 2.01(b)**, duly executed by Borrower's Chief Executive Officer, Chief Financial Officer or any other duly authorized officer or director;

(i) the Loan Parties shall have paid all fees and expenses due and payable to the Agent hereunder on the Closing Date, including any such fees set forth in **Section 2.09**;

(j) share certificates, transfers and stock transfer forms or equivalent duly executed by Loan Party in blank (to the extent the Equity Interests held by such Loan Party are certificated);

(k) executed copies of each NovaQuest Note Document, evidencing a commitment of at least $80,000,000;

(l) evidence of the "Clinical Milestone 1" (as described in that certain proposal letter dated as of September 28, 2017) being met; and

(m) such other documents as Agent may reasonably request.

4.02 **All Advances**. On or prior to each Advance Date:

(a) Agent shall have received an Advance Request for the relevant Advance as required by **Section 2.01(b)**, each duly executed by Borrower's Chief Executive Officer, Chief Financial Officer or any other duly authorized officer or director;

(b) for each Advance after the Closing Date, Parent shall issue to Lender a Warrant in substantially the same form as the Warrant issued to Lender in connection with the first Advance, provided that (i) the Exercise Price (as defined in the Warrant) of such Warrant shall equal the lowest three-day volume-weighted average price in effect for the three consecutive trading days prior to such Advance Date, (ii) the number of shares issuable pursuant to such Warrant shall equal three percent (3%) of the dollar amount of such second Advance divided by the Exercise Price and (iii) the Expiration Time (as defined in the Warrant) of such Warrant shall be 5:00 p.m. Eastern Time on the seventh (7th) anniversary of such Advance Date;

(c) the representations and warranties set forth in this Agreement shall be true and correct in all material respects on and as of the Advance Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date;

(d) the Loan Parties shall be in compliance with all the terms and provisions set forth herein and in each other Loan Document on its part to be observed or performed, and at the time of and immediately after such Advance no Event of Default shall have occurred and be continuing; and

(e) Each Advance Request shall be deemed to constitute a representation and warranty by Borrower on the relevant Advance Date as to the matters specified in paragraphs (b) and (c) of this **Section 4.02** and as to the matters set forth in the Advance Request.

4.03 **No Default**. As of the Closing Date and each Advance Date, (i) no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default and (ii) no event that has had or would reasonably be expected to have a Material Adverse Effect has occurred and is continuing.

4.04 **Post-Closing Deliverables**. Each Loan Party agrees to deliver all items as set forth under Schedule 7.24 to the Disclosure Letter.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF THE LOAN PARTIES

Each Loan Party represents and warrants that:

5.01 **Corporate Status**. Each Loan Party is duly incorporated and/or organized, legally existing and in good standing under the laws of its jurisdiction of incorporation or organization, as applicable, and is duly qualified as a foreign corporation or other entity, as applicable, in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified would reasonably be expected to have a Material Adverse Effect. Each Loan Party's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit B to the Disclosure Letter, as may be updated by the Loan Parties in a written notice (including any Compliance Certificate) provided to Agent after the Closing Date.

5.02 **Collateral**. Each Loan Party has good and valid rights in or power to transfer the Collateral owned by it and title to the Collateral with which it has purported to grant a security interest hereunder, free of all Liens, except for Permitted Liens. Each Loan Party has the power and authority to grant to Agent a Lien in the Collateral as security for the Secured Obligations.

5.03 **Consents**. Each Loan Party's execution, delivery and performance of this Agreement and all other Loan Documents, and Parent's execution of the Warrant, (i) have been duly authorized by all necessary corporate action of such Loan Party, (ii) will not result in the creation or imposition of any Lien upon the Collateral, other than Permitted Liens and the Liens created by this Agreement and the other Loan Documents, (iii) do not violate any provisions of such Loan Party's constitutional documents, or other organizational or governing documents (as applicable), bylaws, or any law, regulation, order, injunction, judgment, decree or writ to which such Loan Party is subject and (iv) except as described on Schedule 5.03 to the Disclosure Letter, do not violate any material contract or material agreement or require the consent or approval of any other Person which has not already been obtained. The individual or individuals executing the Loan Documents are duly authorized to do so.

5.04 **Material Adverse Effect**. No event that has had or would reasonably be expected to have a Material Adverse Effect has occurred and is continuing. No Loan Party is aware of any event likely to occur that is reasonably expected to result in a Material Adverse Effect.

5.05 **Actions Before Governmental Authorities**. There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of any Loan Party, threatened in writing against any Loan Party or its property, that is reasonably expected to result in a Material Adverse Effect.

5.06 **Compliance with Laws; Affiliate Transactions**.

(a) No Loan Party nor any of its Subsidiaries is in violation in any material respect of any law, rule or regulation, or in default in any material respect with respect to any judgment, writ, injunction or decree of any Governmental Authority.

(b) Attached hereto as Schedule 5.06(B) to the Disclosure Letter is a true, complete and correct (as of the Closing Date) list of all material agreements and contracts between any Loan Party (or any of its Subsidiaries) and Roivant (the "***Roivant Documents***"). No Loan Party is in default in any material manner under any provision of any agreement or instrument evidencing material Indebtedness, or any other material agreement to which it is a party or by which it is bound, including the Roivant Documents, and, to the knowledge of any Loan Party with respect to any Person other than any Loan Party or its Subsidiaries, no event of default or event that with the passage of time would result in an event of default exists under any agreement or instrument evidencing material Indebtedness.

(c) No Loan Party, any of its Subsidiaries, or to any Loan Party's knowledge any of its or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) is a Blocked Person. No Loan Party, nor any of its Subsidiaries, or to the knowledge of any Loan Party, any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (B) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law. None of the funds to be provided under this Agreement will be used, directly or indirectly, (1) for any activities in violation of any applicable anti-money laundering, economic sanctions and anti-bribery laws and regulations laws and regulations, including the Anti-Bribery Laws, or (2) for any payment to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(d) Except as set forth on Schedule 5.06(D) to the Disclosure Letter, each Loan Party implemented and maintains in effect policies and procedures to the extent necessary to ensure compliance by each Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Parent, its Subsidiaries and their respective officers and employees and to the knowledge of Parent, its Subsidiaries and their respective directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects.

(e) No Loan Party nor any of its Subsidiaries or any of their respective directors, officers or employees, is a Sanctioned Person. No Loan, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

(f) No Loan Party's nor any of its Subsidiaries' properties or assets has been used by such Loan Party or such Subsidiary or, to any Loan Party's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws.

(g) Each Loan Party and each of its Subsidiaries has obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.07 Investment Company Act. No Loan Party nor any of its Subsidiaries is required to register as an "***investment company***" or a company "***controlled***" by an "***investment company***" under the Investment Company Act of 1940, as amended. No Loan Party nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). No Loan Party nor any of its Subsidiaries is a "***holding company***" or an "***affiliate***" of a "***holding company***" or a "***subsidiary company***" of a "***holding company***" as each term is defined and used in the Public Utility Holding Company Act of 2005.

5.08 Information Correct and Current. No written information, report, Advance Request, financial statement, exhibit or schedule furnished, by or on behalf of any Loan Party to Agent in connection with any Loan Document or included therein or delivered pursuant thereto contained, or, when taken as a whole, contains or will contain any material misstatement of fact or, when taken together with all other such written information or documents, omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not materially misleading at the time such statement was made or deemed made. Additionally, any and all financial or business projections provided by the Loan Parties to Agent, whether prior to or after the Closing Date, shall be (i) provided in good faith and based on the most current data and information available to the Loan Parties at the time prepared and (ii) the most current of such projections provided to the Board (it being understood that such projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties, that no assurance is given that any particular projections will be realized, that actual results may differ).

5.09 Tax Matters.

(a) Except as described on Schedule 5.09 to the Disclosure Letter and except those being contested in good faith with adequate reserves under GAAP or IFRS, as applicable, (a) each Loan Party has filed all material federal, state and local tax returns that it is required to file, (b) each Loan Party has duly paid or fully reserved for all material taxes or installments thereof (including any interest or penalties) as and when due, or which have or may become due pursuant to such returns, and (c) each Loan Party has paid or fully reserved for any material tax assessment received by it which remains unpaid, if any (including any taxes being contested in good faith and by appropriate proceedings).

(b) With the exception of the Borrower, which is tax resident only in the United Kingdom, each Loan Party is resident for tax purposes only in the country of its incorporation.

(c) The Borrower is not a tax resident in Switzerland within the meaning of Article 9(1) of the Swiss Withholding Tax Act.

5.10 Intellectual Property Claims. Except as described on Schedule 5.10 to the Disclosure Letter, (a) each of the material Copyrights, Trademarks and Patents is valid and enforceable and (b) no material part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part. Exhibit C to the Disclosure Letter is a true, correct and complete list of each of the Loan Parties' Patents, registered Trademarks, registered Copyrights, and material agreements under which a Loan Party licenses Intellectual Property from third parties (other than shrink-wrap software licenses), together with application or registration numbers, as applicable, owned by a Loan Party, in each case as relates to the Study Product as of the Closing Date. The Loan Parties are not in material breach of, nor have the Loan Parties failed to perform any material obligations under, any of the foregoing contracts, licenses or agreements and, except as disclosed to the Lenders, to the Loan Parties' knowledge, no third party to any such contract, license or agreement is in material breach thereof or has failed to perform any material obligations thereunder, except where such breach or failure would not reasonably be expected to result in a Material Adverse Effect.

5.11 Intellectual Property. Except as described on Schedule 5.11 to the Disclosure Letter the Loan Parties have all material rights with respect to Intellectual Property necessary or material in the operation or conduct of the Loan Parties' business as currently conducted and proposed to be conducted by Loan Parties. Without limiting the generality of the foregoing, and in the case of Licenses, except for restrictions that are unenforceable under Article 9 of the UCC or other applicable law, the Loan Parties have the right, to the extent required to operate their business, to freely transfer, license or assign Intellectual Property necessary or material in the operation or conduct of their business as currently conducted and proposed to be conducted by them, without condition, restriction or payment of any kind (other than license payments in the ordinary course of business) to any third party.

5.12 **Borrower Products**. Except as described on Schedule 5.12 to the Disclosure Letter, no material Intellectual Property owned by any Loan Party or Borrower Product has been or is subject to any actual or, to the knowledge of the Loan Parties, threatened in writing litigation, proceeding (including any proceeding in the United States Patent and Trademark Office or any corresponding foreign office or agency) or outstanding decree, order, judgment, settlement agreement or stipulation that restricts in any material manner such Loan Party's use, transfer or licensing thereof or that may affect the validity, use or enforceability thereof, except where such litigation, proceeding, decree, order, judgment, settlement agreement or stipulation would not reasonably be expected to have a Material Adverse Effect. There is no decree, order, judgment, agreement, stipulation, arbitral award or other provision entered into in connection with any litigation or proceeding that obligates any Loan Party to grant licenses or ownership interest in any future Intellectual Property related to the operation or conduct of the business of the Loan Parties or Borrower Products, except where such decree, order, judgment, agreement, stipulation or award would not reasonably be expected to have a Material Adverse Effect. No Loan Party has received any written notice or claim, or, to the knowledge of the Loan Parties, oral notice or claim, challenging or questioning their ownership in any Intellectual Property (or written notice of any claim challenging or questioning the ownership in any licensed Intellectual Property of the owner thereof) or suggesting that any third party has any claim of legal or beneficial ownership with respect thereto nor, to the Loan Parties' knowledge, is there a reasonable basis for any such claim in each case to where such notice or claim would reasonably be expected to have a Material Adverse Effect. To Loan Parties' knowledge, no Loan Party's use of its Intellectual Property or the production and sale of Borrower Products infringes the valid Intellectual Property or other rights of others in any material respect.

5.13 **Financial Accounts**. Exhibit D to the Disclosure Letter, as may be updated by Loan Parties in a written notice provided to Agent after the Closing Date, is a true, correct and complete list of (a) all banks and other financial institutions at which any Loan Party or any Subsidiary maintains Deposit Accounts and (b) all institutions at which any Loan Party or any Subsidiary maintains an account holding Investment Property, and such exhibit correctly identifies the name, address and telephone number of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

5.14 **[Reserved]**.

5.15 **Capitalization and Subsidiaries**. The Loan Parties do not own any stock, partnership interest or other securities of any Person, except for Permitted Investments. Attached as Schedule 1 to the Disclosure Letter, as may be updated by Loan Parties in a written notice provided after the Closing Date, is a true, correct and complete list of each direct and indirect Subsidiary of Parent.

5.16 **Centre of Main Interests and Establishments**. For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "***Regulation***"), Myovant England's center of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "***establishment***" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction and Myovant Ireland's center of main interest is situated in Ireland and it has no establishment in any other jurisdiction. The representation made under this **Section 5.16** is made on the date of this Agreement.

5.17 **Pensions**. Save for Myovant Ireland, none of Parent nor any Subsidiary is, or has at any time been, (a) an employer (for the purposes of sections 38 to 51 of the U.K. Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the U.K. Pensions Schemes Act 1993) or (b) "***connected***" with or an "***associate***" of (as those terms are used in sections 38 and 43 of the U.K. Pensions Act 2004) such an employer.

5.18 **[Reserved**.]

5.19 **Study Product Regulatory Matters**.

(a) Each Loan Party holds all material approvals and authorizations from Governmental Authorities necessary for such Loan Party to conduct its business in the manner in which such business is being conducted with respect to the Study Product, including with respect to the conduct of the then ongoing Clinical Studies and the development, manufacture and testing of the Study Product, and all such approvals and authorizations are in good standing and in full force and effect. No Loan Party has received any notice or any other communication from any Governmental Authority regarding any actual or possible revocation, withdrawal, suspension, cancellation, termination or material modification of any such approvals or authorizations, except where such notice or communications would not reasonably be expected to result in a Material Adverse Effect.

(b) No Loan Party has, with respect to the Study Product, knowingly made any untrue statement of material fact or fraudulent statement to any Governmental Authority, failed to disclose a material fact required to be disclosed to any Governmental Authority, or committed an act, made a statement or failed to make a statement, that provides or would reasonably be expected to provide a basis for a Governmental Authority to invoke the U.S. Food and Drug Administration's policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy of any other Governmental Authority.

(c) No Loan Party is, or has ever been, (A) debarred by a Governmental Authority, (B) a party to a settlement, consent or similar agreement with a Governmental Authority regarding the Study Product, or (C) charged with, or convicted of, violating any applicable law regarding the Study Product.

(d) The Study Product is being and at all times has been (as applicable) developed, tested, manufactured, labeled, and stored by or, to the Loan Parties' knowledge, on behalf of the Loan Parties in compliance in all material respects with all applicable laws, including with respect to investigational use, good clinical practices, good laboratory practices, good manufacturing practices, record keeping, security, and filing of reports.

(e) As of the Closing Date, since April 29, 2016, the Study Product has not been the subject of or subject to (as applicable) any recall, suspension, market withdrawal, seizure, warning letter, other written communication. From the Closing Date and thereafter, the Study Product has not been the subject of or subject to (as applicable) any recall, suspension, market withdrawal, seizure, warning letter or other written communication in each case asserting lack of compliance by the Loan Parties with any applicable law in any material respect, except as would not reasonably be expected to result in a Material Adverse Effect. No Study Product Failure has occurred. As of the Closing Date, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for any of the foregoing events.

(f) As of the Closing Date, the Loan Parties have made available to Agent true and complete copies of all requested material clinical data, reports and analysis and all requested material correspondence with the U.S. Food and Drug Administration.

(g) No Loan Party or any of their Affiliates has received any adverse written notice from any Governmental Authority regarding the approvability or approval of the Study Product that would reasonably be expected to result in a Study Product Failure.

(h) No Governmental Authority has imposed, or communicated its intent to impose, a suspension, clinical hold, or other adverse regulatory action regarding the Study Product that would reasonably be expected to result in a Study Product Failure..

(i) The Loan Parties have no intent to suspend or terminate a Clinical Study in a manner that would reasonably be expected to result in a Study Product Failure.

SECTION 6 INSURANCE; INDEMNIFICATION

6.01 Coverage. The Loan Parties shall cause to be carried and maintained commercial general liability insurance, on an occurrence form, against risks customarily insured against in the Loan Parties' line of business and in amounts and with deductibles as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations. Such risks shall include the risks of bodily injury, including death, property damage, personal injury, advertising injury, and contractual liability per the terms of the indemnification obligations set forth in **Section 6.03**. So long as there are any Secured Obligations (other than inchoate indemnity obligations) outstanding, the Loan Parties that are Domestic Subsidiaries shall also cause to be carried and maintained insurance upon the Collateral, insuring against all risks of physical loss or damage howsoever caused, in an amount not less than the full replacement cost of the Collateral, provided that such insurance may be subject to standard exceptions and deductibles. All such insurance required under this **Section 6.01** shall be provided by financially sound and reputable insurance companies.

6.02 Certificates; Collateral Protection Coverage.

(a) The Loan Parties that are Domestic Subsidiaries shall deliver to Agent certificates of insurance that evidence its compliance with its insurance obligations in **Section 6.01** and the obligations contained in this **Section 6.02**. The Loan Parties' insurance certificate shall state that Agent (shown as "Hercules Capital, Inc.", as Agent") is an additional insured for commercial general liability, and a loss payee for all risk property damage insurance, subject to the insurer's approval. Attached to the certificates of insurance will be additional insured endorsements for liability and lender's loss payable endorsements for all risk property damage insurance. All certificates of insurance will provide for a minimum of thirty (30) days' advance written notice to Agent of cancellation (other than cancellation for non-payment of premiums, for which ten (10) days' advance written notice shall be sufficient). Any failure of Agent to scrutinize such insurance certificates for compliance is not a waiver of any of Agent's rights, all of which are reserved.

(b) Upon the occurrence and during the continuance of an Event of Default, if the Loan Parties fail to provide Agent, upon request, with evidence of the insurance coverage required by this Agreement, Agent may purchase insurance at Borrower's expense to protect Agent's interests in the Collateral. This insurance may, but need not, protect the Loan Parties' interests. The coverage purchased by Agent may not pay any claim made by the Loan Parties or any claim that is made against the Loan Parties in connection with the Loan Parties. The Loan Parties may later cancel any insurance purchased by Agent, but only after providing Agent with evidence that the Loan Parties have obtained insurance as required by this Agreement. If Agent purchases insurance for the Collateral, to the fullest extent provided by law, Borrower will be responsible for the costs of that insurance, including interest and other charges imposed by Agent in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Secured Obligations. The costs of the insurance may be more than the cost of insurance the Loan Parties are able to obtain on their own.

6.03 **Indemnity**. Each Loan Party agrees to indemnify and hold Agent, Lender and their officers, directors, employees, agents, in-house attorneys, representatives and shareholders (each, an "***Indemnified Person***") harmless from and against any and all claims, costs, expenses, damages and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort), including reasonable attorneys' fees and disbursements and other costs of investigation or defense (including those incurred upon any appeal) (collectively, "***Liabilities***"), that may be instituted or asserted against or incurred by such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents or the administration of such credit, or in connection with or arising out of the transactions contemplated hereunder and thereunder, or any actions or failures to act in connection therewith, or arising out of the disposition or utilization of the Collateral, excluding in all cases Liabilities to the extent resulting solely from any Indemnified Person's gross negligence or willful misconduct. Each Loan Party agrees to pay, and to save Agent and Lender harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all registration, stamp, excise, sales or other similar taxes (excluding taxes imposed on or measured by the net income of Agent or Lender) that may be payable or determined to be payable with respect to the execution, delivery, performance, enforcement or registration of any of the Collateral or the Loan Documents. Except as set forth in the immediately prior sentence, this Section 6.03 shall not apply to Taxes other than any Taxes that represent Liabilities arising from any non-Tax claim. In no event shall any Loan Party or any Indemnified Person be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings). This **Section 6.03** shall survive the repayment of indebtedness under, and otherwise shall survive the expiration or other termination of, the Loan Agreement.

SECTION 7 COVENANTS OF BORROWER

Each Loan Party agrees as follows:

7.01 **Financial Reports**. The Loan Parties shall furnish to Agent the financial statements and reports listed hereinafter (the "***Financial Statements***"):

(a) within forty-five (45) days after the end of each of the first three fiscal quarters of Parent's fiscal year, unaudited interim and year-to-date consolidated financial statements of Parent as of the end of such calendar quarter (prepared on a consolidated basis), including consolidated balance sheet and related consolidated statements of income and cash flows, certified by Parent's Chief Executive Officer, Chief Financial Officer, chief accounting officer or any other duly authorized officer or director (as set forth in the Compliance Certificate), except (i) for the absence of footnotes, and (ii) that they are subject to normal year-end adjustments;

(b) within ninety (90) days after the end of each fiscal year of Parent, unqualified, and without any going concern or similar limitations (other than a going concern qualification solely with respect to either having less than twelve (12) months of cash or the impending maturity of debt for the fiscal year ending immediately prior to the maturity date of such debt), audited consolidated financial statements of Parent as of the end of such year (prepared on a consolidated basis), including consolidated balance sheet and related consolidated statements of income and cash flows, and setting forth in comparative form the corresponding figures for the preceding fiscal year, certified by a firm of independent certified public accountants selected by Parent and reasonably acceptable to Agent (it being understood that Ernst & Young LLP and any other accounting firm of national standing is reasonably acceptable to Agent);

(c) (i) while no Event of Default has occurred and is continuing, within ten (10) days after the end of each month, copies of bank account statements and a report detailing any material contingencies (including the commencement of any material litigation by or against Borrower), all certificated by Parent's Chief Executive Officer, Chief Financial Officer, principal accounting officer or any other duly authorized officer or director; and (ii) while an Event of Default has occurred and is continuing, as soon as practicable (and in any event within thirty (30) days) after the end of each month, unaudited interim and year-to-date financial statements of Parent as of the end of such month (prepared on a consolidated basis), including balance sheet and related statement of income accompanied by a report detailing any material contingencies (including the commencement of any material litigation by or against any Loan Party), except (i) for the absence of footnotes, (ii) that they are subject to normal year-end adjustments, and (iii) they do not contain certain non-cash items that are customarily included in quarterly and annual financial statements;

(d) together with each set of financial statements delivered pursuant to **Section 7.01(a)**, **(b)** or **(c)(ii)**, a Compliance Certificate;

(e) promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports that Parent has made available to holders of any series of its Equity Interests generally and copies of any regular, periodic and special reports or registration statements that Parent files with the SEC or any governmental authority that may be substituted therefor, or any national securities exchange; provided that all such proxy statements, financial statements and reports shall be deemed to have been delivered to Agent for purposes of this **Section 7.01(e)** upon the filing of same with the SEC;

(f) within fifteen (15) days after their approval by the Board, and in any event, within sixty (60) days after the end of Parent's fiscal year, financial and business projections as approved by the Board, as well as budgets, operating plans and other financial information reasonably requested by Agent;

(g) solely after December 31, 2017, in each Compliance Certificate delivered pursuant to **Section 7.01(d)**, evidence of compliance with **Section 7.16**, in form and substance reasonably acceptable to Agent and supporting documentation reasonably requested by Agent, including certification of such compliance by the Chief Executive Officer, Chief Financial Officer, chief accounting officer or any other duly authorized officer or director of Parent;

(h) within ten (10) days of the end of each fiscal quarter, a reasonably detailed clinical update and regulatory update regarding the Study Product;

(i) notice of the occurrence of an event that has had or would reasonably be expected to have a Material Adverse Effect within two (2) Business Days after any Loan Party or any Subsidiary obtains knowledge thereof; and

(j) immediate notice if any Loan Party or any Subsidiary has knowledge that any Loan Party, or any Subsidiary or Affiliate of any Loan Party, 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.

No Loan Party shall make any change in its (a) accounting policies or reporting practices, other than (i) to change its accounting policies or reporting practices from GAAP to IFRS or (ii) to the extent required or otherwise contemplated by GAAP or IFRS, as applicable, the SEC, the U.S. Public Company Accounting Oversight Board or other applicable regulatory requirements or (b) fiscal years or fiscal quarters. The fiscal year of Parent shall end on March 31.

The executed Compliance Certificate may be sent via email to Agent at legal@herculestech.com. All Financial Statements required to be delivered pursuant to clauses (a), (b) and (c) shall be sent via e-mail to financialstatements@herculestech.com with a copy to legal@herculestech.com provided, that if e-mail is not available or sending such Financial Statements via e-mail is not possible, they shall be faxed to Agent at: (866) 468-8916, attention Chief Credit Officer.

Notwithstanding the foregoing, documents required to be delivered under **Sections 7.01(a)**, **(b), (c)** and **(e)** (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and shall be deemed to have been delivered on the date on which Parent files such documents with the Commission and such documents are publicly available on the Commission’s EDGAR filing system or any successor thereto.

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

7.03 Further Assurances.

(a) Each Loan Party shall from time to time execute, deliver and file, alone or with Agent, any financing statements, security agreements, collateral assignments, notices, control agreements, or other documents to perfect or give first priority to Agent's Lien on the Collateral. Each Loan Party shall from time to time procure any instruments or documents as may be reasonably requested by Agent, and take all further action that may be necessary, or that Agent may reasonably request, to perfect and protect the Agent's Lien on the Collateral. In addition, and for such purposes only, each Loan Party hereby authorizes Agent to execute and deliver on its behalf and to file financing statements (including an indication that the financing statement covers "all assets or all personal property other than intellectual property" of such Loan Party in accordance with Section 9-504 of the UCC), and during the continuance of an Event of Default, collateral assignments, notices, control agreements, security agreements and other documents without the signature of the Loan Parties either in Agent's name or in the name of Agent as agent and attorney-in-fact for the Loan Parties as necessary or appropriate to effect or perfect the grant of Agent's Lien in the Collateral.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document (i) with respect to any other property or assets acquired after the Closing Date, the Loan Parties shall have thirty (30) days, or forty-five (45) days in the case of the Equity Interests, property or assets of, or actions required to be taken by, any Foreign Subsidiary, after the acquisition thereof or such Person becomes a Loan Party (or such later date as may be agreed upon by the Agent in the exercise of its reasonable discretion with respect thereto) to take the actions required by this **Section 7.03** and **Section 7.13**, and (ii) no Loan Party shall have any obligation to (A) obtain any landlord waivers, estoppels or collateral access letters, (B) perfect a security interest in any letter of credit rights, other than the filing of a UCC financing statement or (C) obtain control agreements with respect to any Deposit Accounts or accounts holding Investment Accounts outside the United States.

7.04 Indebtedness. No Loan Party shall create, incur, assume, guarantee nor be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on any Loan Party an obligation to prepay any Indebtedness, except for (a) the conversion of Indebtedness into equity securities and the payment of cash in lieu of fractional shares in connection with such conversion, (b) in connection with refinancing or replacement Indebtedness, (c) permitted purchase money Indebtedness pursuant to its then-applicable payment schedule, (d) prepayment of Indebtedness between Loan Parties and (e) as otherwise permitted hereunder or approved in writing by Agent. To the extent not a party to the Intercreditor Agreement, each Loan Party shall, and shall cause any applicable Subsidiary, promptly after the creation of any Intra-Group Liabilities (as defined in the Intercreditor Agreement) to join the Intercreditor Agreement as an Intra-Group Lender (as defined in the Intercreditor Agreement) and take such other steps in connection thereto as reasonably requested by Agent.

7.05 Collateral.

(a) Each Loan Party shall at all times keep the Collateral, the Intellectual Property and all other property and assets used in the Loan Parties' business or in which the Loan Parties now or hereafter hold any interest free and clear from any Liens whatsoever (except for Permitted Liens).

(b) No Loan Party shall agree with any Person other than Agent or Lender not to encumber its property (other than Intellectual Property) other than pursuant to (i) this Agreement and the other Loan Documents, (ii) any agreements governing any Permitted Indebtedness, (iii) any Permitted Lien or any document or instrument governing any Permitted Lien, (iv) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under **Section 7.08**, (v) customary restrictions and conditions contained in agreements governing joint ventures or strategic alliances in the ordinary course of business, (vi) agreements of any Subsidiary existing at the time such Person became a Subsidiary (and amendments or modifications thereto that do not materially expand the scope thereof); (vii) agreements existing as of the Closing Date (and amendments or modifications thereto that do not materially expand the scope thereof); and (viii) customary provisions regarding confidentiality or restricting assignments, pledges or transfers of any agreement entered into in the ordinary course of business.

(c) No Loan Party shall enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of its Intellectual Property, whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party other than pursuant to (i) this Agreement and the other Loan Documents, (ii) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (iii) customary restrictions on the assignment, sublicense or sublease of leases, licenses and other agreements regarding confidentiality, (iv) customary restrictions on Liens in licensing or collaboration agreements relating to such Intellectual Property provided that such restrictions do not prohibit the Liens granted to the Agent pursuant to the Loan Documents, (v) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under **Section 7.08**, (vi) customary restrictions and conditions contained in agreements governing joint ventures or strategic alliances in the ordinary course of business, (vii) agreements of any Subsidiary existing at the time such Person became a Subsidiary (and amendments or modifications thereto that do not materially expand the scope thereof); and (viii) agreements existing as of the Closing Date (and amendments or modifications thereto that do not materially expand the scope thereof) (other than shrink-wrap software licenses) and listed on Exhibit E to the Disclosure Letter; and (ix) any agreements governing Permitted Subordinated Debt.

(d) Each Loan Party shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to protect and defend title to its assets from and against all Persons claiming any interest adverse to such Loan Party or Subsidiary.

7.06 **Investments**. No Loan Party shall directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments.

7.07 Distributions. No Loan Party shall, and shall not allow any Subsidiary to, (a) repurchase or redeem any class of shares, stock or other Equity Interest other than (i) pursuant to employee, director or consultant repurchase plans or other similar agreements in accordance with applicable law, provided, however, in each case, the aggregate repurchase or redemption proceeds do not exceed the original consideration received by the relevant Loan Party or Subsidiary for such shares, stock or Equity Interest, (ii) repurchases of such shares, stock or Equity Interest deemed to occur upon exercise of stock options or warrants if such repurchased shares, stock or Equity Interest represents a portion of the exercise price of such options or warrants, (iii) repurchases of such shares, stock or Equity Interest deemed to occur upon the withholding of a portion of such shares, stock or Equity Interest granted or awarded to a current or former officer, director, employee or consultant to pay for the taxes payable by such Person upon such grant or award (or upon vesting thereof) or (iv) purchases of its Common Shares or equity derivatives with respect to its Common Shares (including capped call, call spread, accelerated stock repurchase and forward purchase transactions) using the proceeds from the simultaneous issuance of convertible notes pursuant to a Permitted Convertible Debt Financing, (and any payments under or pursuant to, or settlements of, any such accelerated or forward stock repurchase arrangements, call spreads, capped calls or other derivatives entered into simultaneously at the time of and in connection with a Permitted Convertible Debt Financing); provided that the aggregate net purchase price of such transactions in the aggregate shall not exceed thirty percent (30.00%) of the net proceeds from the Permitted Convertible Debt Financing; or (b) declare or pay any cash dividend or make a cash distribution on any class of shares, stock or other Equity Interest, except that a Subsidiary may pay dividends or make distributions to any other Loan Party or if a Loan Party is not its direct parent entity, to its parent entity; or (c) lend money to any employees, officers or directors or guarantee the payment of any such loans granted by a third party in excess of Five Hundred Thousand Dollars ($500,000) in the aggregate; or (d) waive, release or forgive any Indebtedness (other than Indebtedness represented by a Permitted Investment made pursuant to clause (viii) thereof) owed by any employees, officers or directors in excess of Five Hundred Thousand Dollars ($500,000) in the aggregate in any fiscal year.

7.08 Transfers. Except for Permitted Transfers, no Loan Party shall, and shall not allow any Subsidiary to, voluntarily or involuntarily transfer, sell, lease, license, lend or in any other manner convey any equitable, beneficial or legal interest in any material portion of its assets or sell a controlling ownership interest in or majority equity interest in any Subsidiary organized or acquired after the Closing Date.

7.09 **Mergers or Acquisitions**. No Loan Party shall merge or consolidate, or permit any of its Subsidiaries to merge, amalgamate or consolidate, with or into any other business organization (other than mergers, amalgamations or consolidations of (a) a Subsidiary which is not a Loan Party into another Subsidiary or into a Loan Party or (b) a Loan Party into another Loan Party (including any entity that becomes a Loan Party pursuant to **Section 7.13** substantially concurrently with the occurrence of such merger, amalgamation or consolidation)), or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, other than in connection with a Permitted Investment or a Permitted Transfer; provided that notwithstanding the foregoing a Loan Party, other than Myovant Switzerland, may liquidate so long as the Borrower is the surviving entity, all the assets of such Loan Party can be, and are, distributed to Borrower or another Loan Party and such liquidation is not in connection with an Insolvency Event that is involuntary.

7.10 **Taxes**. Each Loan Party and its Subsidiaries shall pay when due all material taxes, fees or other charges of any nature whatsoever (together with any related interest or penalties) now or hereafter imposed or assessed against (i) any Loan Party, any of its Subsidiaries or the Collateral or (ii) upon any Loan Party's or any of its Subsidiaries' ownership, possession, use, operation or disposition of the Collateral or upon any Loan Party's or any of its Subsidiaries' rents, receipts or earnings arising therefrom. Each Loan Party shall file on or before the due date therefor all material personal property tax returns in respect of the Collateral. Notwithstanding the foregoing, any Loan Party may contest, in good faith and by appropriate proceedings, taxes for which such Loan Party maintains adequate reserves therefor in accordance with GAAP or IFRS, as applicable.

7.11 **Corporate Changes**. No Loan Party nor any Subsidiary shall change its corporate name, legal form or jurisdiction of formation without twenty (20) days' prior written notice to Agent. No Change in Control shall occur. No Loan Party nor any Subsidiary shall relocate its chief executive office or its principal place of business unless it has provided prior written notice to Agent. No Loan Party nor any Subsidiary shall relocate any tangible item of Collateral (other than (i) clinical drug supplies utilized in the ordinary course of business, (ii) sales of assets made in accordance with **Section 7.08**, (iii) relocations of assets having an aggregate value of up to Five Hundred Thousand Dollars ($500,000) in any fiscal year, and (iv) relocations of Collateral from a location described on Exhibit B to the Disclosure Letter to another location described on Exhibit B to the Disclosure Letter) unless (A) it has provided prompt written notice to Agent and (B) if such relocation is to a third party bailee, if not prohibited by applicable law, it has delivered a bailee agreement in form and substance reasonably acceptable to Agent.

7.12 **Deposit Accounts**. Other than Excluded Accounts, no Loan Party nor any Subsidiary shall maintain any Deposit Accounts, or accounts holding Investment Property, except with respect to which Agent has (i) an Account Control Agreement or (ii) such other agreement or arrangement as a result of which the Agent shall have a perfected security interest therein or as may be otherwise acceptable to Agent for Deposit Accounts and accounts holding Investment Property outside of the United States of America.

7.13 **Future Subsidiaries**. Each Loan Party shall notify Agent of each Subsidiary that is not an Excluded Subsidiary formed subsequent to the Closing Date and, within (i) thirty (30) days of formation of any Subsidiary formed or organized under the laws of the United States of America or any state, commonwealth or territory thereof and (ii) forty-five (45) days of formation of any Subsidiary that is not an Excluded Subsidiary organized outside of the United States of America or any state, commonwealth or territory thereof, shall cause any such Subsidiary, unless otherwise consented to by Agent, to execute and deliver to Agent Joinder Documents or other documents with respect to such entity becoming a borrower or guarantor hereunder as reasonably acceptable to Agent.

7.14 **Notification of Event of Default**. Parent shall notify Agent promptly, and in any event within two (2) Business Days, of (a) the occurrence of any Event of Default, and (b) any termination or default under or material amendment or replacement of any Roivant Document.

7.15 **Use of Proceeds**. Borrower agrees that the proceeds of the Loans shall be used solely to pay related fees and expenses in connection with this Agreement and to support the clinical development and commercialization of the Study Product.

7.16 **Minimum Cash Amount**. Beginning on December 31, 2017, the Loan Parties shall maintain Unrestricted Cash in an amount greater than or equal to the Applicable Amount; provided that this **Section 7.16** shall cease to apply after achievement of both the Financing Milestone and the Clinical Milestone.

7.17 **OFAC**. No Loan Party nor any of its Subsidiaries shall, nor shall any Loan Party or any of its Subsidiaries permit any Affiliate under Parent's direct or indirect control to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. No Loan Party nor any of its Subsidiaries shall, nor shall any Loan Party or any of its Subsidiaries permit any Affiliate under Parent's direct or indirect control to, directly or indirectly, (a) 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, (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (c) 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.

7.18 **COMI**. Neither Myovant England, Myovant Ireland nor any other Subsidiary of any Loan Party whose jurisdiction of incorporation or organization is in a member state of the European Union shall change its "centre of main interests" (as that term is used in Article 3(1) of the Regulation).

SECTION 8 [RESERVED]

SECTION 9 EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an Event of Default:

9.01 Payments. Any Loan Party fails to pay any amount due under this Agreement or any of the other Loan Documents on the due date; provided, however, that an Event of Default shall not occur on account of a failure to pay due solely to an administrative or operational error of Agent or Lender or any Loan Party's bank if such Loan Party had the funds to make the payment when due and makes the payment within three (3) Business Days following such Loan Party's knowledge of such failure to pay; or

9.02 Covenants. Any Loan Party breaches or defaults in the performance of any covenant or Secured Obligation under this Agreement, or any of the other Loan Documents, and (a) with respect to a default under any covenant under this Agreement (other than under **Sections 7.01(i), 7.03(b)(i), 7.04**, **7.05**, **7.06**, **7.07**, **7.08**, **7.09**, **7.14(a), 7.15** or **7.16**) or any other Loan Document, such default continues for more than thirty (30) days after the earlier of the date on which (i) Agent or Lender has given notice of such default to the Loan Parties and (ii) any Loan Party has actual knowledge of such default or (b) with respect to a default under any of **Sections 7.01(i), 7.03(b)(i), 7.04**, **7.05**, **7.06**, **7.07**, **7.08**, **7.09**, **7.14(a), 7.15** or **7.16**, the occurrence of such default; or

9.03 Material Adverse Effect. A circumstance has occurred that would reasonably be expected to have a Material Adverse Effect; provided that Agent shall have provided three (3) calendar days written notice to Parent before exercising any right or remedy or causing a default or Event of Default to occur with respect to this **Section 9.03**, whereby during such time, Agent shall make itself available to discuss in good faith any proposed solution to such Material Adverse Effect, and Parent may take such action otherwise permitted under the Loan Documents (i) as required so that the event or circumstance that is the basis for such Material Adverse Effect no longer exists (to the extent curable), (ii) to show evidence that no Material Adverse Effect has occurred or (iii) to provide a plan detailing how it will mitigate the effect of such event or circumstance that, based on such plan, in the foreseeable future will provide Parent the ability to overcome such Material Adverse Effect, which in each case, at such time such evidence is shown and plans are provided, the Agent shall promptly re-determine in good faith whether an Event of Default still exists with respect to this **Section 9.03**. If not, any proposed or expected violation of this **Section 9.03** will immediately be deemed to be waived and cured, without any further action. Further, solely for purposes of this **Section 9.03**, the following events shall not, in and of itself, constitute a Material Adverse Effect: (a) adverse results or delays in any nonclinical or clinical trial, (b) the failure to achieve the Clinical Milestone, or any other clinical or non-clinical trial goals or objectives, including without limitation, the failure to demonstrate the desired safety or efficacy of any drug or companion diagnostic, (c) the denial, delay or limitation of approval of, or taking of any other regulatory action by, the United States Food and Drug Administration or any other governmental entity with respect to any drug or companion diagnostic, or (d) a change in or discontinuation of a strategic partnership or other collaboration or license arrangement. Further, no Event of Default shall be triggered under this **Section 9.03** if the circumstance arises out of: (i) war, act of terrorism, civil unrest or similar event; or (ii) any adverse change, effect or circumstance resulting from an action specifically required by this Agreement; or

9.04 **Representations**. Any representation or warranty made by any Loan Party in any Loan Document shall have been false or misleading in any material respect when made or when deemed made; or

9.05 **Insolvency**. An Insolvency Event occurs with respect to any Loan Party; or

9.06 **Attachments; Judgments**. Any material portion of the assets of the Loan Parties, taken as a whole, is attached or seized, or a levy is filed against any such assets, or a judgment or judgments is/are entered for the payment of money (not covered by independent third party insurance as to which liability has not been rejected by such insurance carrier), individually or in the aggregate, of at least Two Million Five Hundred Thousand Dollars ($2,500,000), and such judgment remains unsatisfied, unvacated, or unstayed for a period of twenty (20) days after the entry thereof, or any Loan Party is enjoined or in any way prevented by court order from conducting any material part of its business; or

9.07 **Other Obligations**. The occurrence of any default (after giving effect to any grace or cure period) under (a) any NovaQuest Note Document, or (b) any agreement or obligation of any Loan Party involving any Indebtedness in excess of Two Million Five Hundred Thousand Dollars ($2,500,000), in each case which has resulted in a right by the holder of such Indebtedness, whether or not exercised, to accelerate the maturity of such Indebtedness; or

9.08 **Expropriation**. The authority or ability of the Loan Parties to conduct their business as a whole is limited or wholly or substantially curtailed by any seizure, expropriation or nationalization by or on behalf of any Governmental Authority or other Person in relation to the Loan Parties or any of their respective assets.

9.09 **Pensions.** (a) The U.K. Pensions Regulator issues a Financial Support Direction or a Contribution Notice is issued to Parent or any Subsidiary, unless the aggregate liability of Parent and such Subsidiaries under all Financial Support Directions and Contributions Notices is less than Five Hundred Thousand Dollars ($500,000); or (b) the Irish High Court makes an order under section 87 of the Irish Pensions Act, 1990 against the Parent or any Subsidiary unless the aggregate liability of Parent and such Subsidiaries under all such orders is less than Five Hundred Thousand Euro (€500,000).

SECTION 10 REMEDIES

10.01 **General**. Upon and during the continuance of any one or more Events of Default, (i) Agent may, at its option, accelerate and demand payment of all or any part of the Secured Obligations together with a Prepayment Charge and declare them to be immediately due and payable (provided, that upon the occurrence of an Event of Default of the type described in **Section 9.05**, all of the Secured Obligations shall automatically be accelerated and made due and payable, in each case without any further notice or act), (ii) Agent may, at its option, sign and file in any Loan Party's name any and all collateral assignments, notices, control agreements, security agreements and other documents it deems necessary or appropriate to perfect or protect the repayment of the Secured Obligations, and in furtherance thereof, each Loan Party hereby grants Agent an irrevocable power of attorney coupled with an interest, and (iii) Agent may notify any of any Loan Party's account debtors to make payment directly to Agent, compromise the amount of any such account on such Loan Party's behalf and endorse Agent's name without recourse on any such payment for deposit directly to Agent's account. Agent may exercise all rights and remedies with respect to the Collateral under the Loan Documents or otherwise available to it under the UCC and other applicable law, including the right to release, hold, sell, lease, liquidate, collect, realize upon, or otherwise dispose of all or any part of the Collateral and the right to occupy, utilize, process and commingle the Collateral. The Agent shall be entitled to exercise any and all rights and remedies set forth in the Loan Documents. All Agent's rights and remedies shall be cumulative and not exclusive.

10.02 **Collection; Foreclosure**. Upon the occurrence and during the continuance of any Event of Default, Agent may, at any time or from time to time, apply, collect, liquidate, sell in one or more sales, lease or otherwise dispose of, any or all of the Collateral, in its then condition or following any commercially reasonable preparation or processing, in such order as Agent may elect. Any such sale may be made either at public or private sale at its place of business or elsewhere. Each Loan Party agrees that any such public or private sale may occur upon ten (10) calendar days' prior written notice to such Loan Party. Agent may require any Loan Party to assemble the Collateral and make it available to Agent at a place designated by Agent that is reasonably convenient to Agent and such Loan Party.

The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be applied by Agent in the following order of priorities:

First, to Agent and Lender in an amount sufficient to pay in full Agent's and Lender's reasonable costs and professionals' and advisors' fees and expenses as described in **Section 11.12**;

Second, to Lender in an amount equal to the then unpaid amount of the Secured Obligations (including principal, interest, any applicable Prepayment Charge and the Default Rate interest as set forth in **Section 2.03**), in such order and priority as Agent may choose in its sole discretion; and

Finally, after the full and final payment in Cash of all of the Secured Obligations (other than inchoate obligations), to any creditor holding a junior Lien on the Collateral, or to the Loan Parties or their representatives or as a court of competent jurisdiction may direct.

Agent shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it complies with the obligations of a secured party under the UCC.

10.03 No Waiver. Agent shall be under no obligation to marshal any of the Collateral for the benefit of the Loan Parties or any other Person, and each Loan Party expressly waives all rights, if any, to require Agent to marshal any Collateral.

10.04 Cumulative Remedies. The rights, powers and remedies of Agent hereunder shall be in addition to all rights, powers and remedies given under any other Loan Documents by statute or by rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of or election of remedies with respect to any other rights, powers and remedies of Agent.

SECTION 11 MISCELLANEOUS

11.01 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

11.02 Notice. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication (including the delivery of Financial Statements) that is required, contemplated, or permitted under the Loan Documents or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by electronic mail or hand delivery or delivery by an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States of America mails, with proper first class postage prepaid, in each case addressed to the party to be notified as follows:

(a) If to Agent:

HERCULES CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer, Kristen C. Kosofsky
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
email: legal@herculestech.com, kkosofsky@htgc.com
Telephone: 650-289-3060

(b) If to Lender:

HERCULES CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer, Kristen C. Kosofsky
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
email: legal@herculestech.com, kkosofsky@htgc.com
Telephone: 650-289-3060

(c) If to any Loan Party:

c/o Myovant Sciences, Inc.
Attention: Frank Karbe
2000 Sierra Point Parkway, 9th Floor
Brisbane, CA 94005
email: Frank.Karbe@myovant.com
Telephone: 650-238-0241

with a copy (which shall not constitute notice) to:

COOLEY LLP
Attention: Gian-Michele a Marca
500 California Street
San Francisco, CA 94117
email: gmamarca@cooley.com
Telephone: 415-693-2148

or to such other address as each party may designate for itself by like notice.

11.03 Entire Agreement; Amendments.

(a) This Agreement and the other Loan Documents constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and supersede and replace in their entirety any prior proposals, term sheets, non-disclosure or confidentiality agreements, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof (including Agent's revised proposal letter dated September 28. 2017).

(b) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this **Section 11.03(b)**. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Agent and the Loan Parties party to the relevant Loan Document may, from time to time, (i) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Lenders or the Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder) or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby; (B) eliminate or reduce the consent rights of any Lender under this **Section 11.03(b)** without the written consent of such Lender; (C) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Loan Parties of any of their rights and obligations under this Agreement and the other Loan Documents, release a material portion of the Collateral or release a Loan Party from its obligations under the Loan Documents, in each case without the written consent of all Lenders; or (D) amend, modify or waive any provision of **Section 11.18** without the written consent of the Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each Lender and shall be binding upon the Loan Parties, the Lender, the Agent and all future holders of the Loans.

11.04 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.

11.05 No Waiver. The powers conferred upon Agent and Lender by this Agreement are solely to protect its rights hereunder and under the other Loan Documents and its interest in the Collateral and shall not impose any duty upon Agent or Lender to exercise any such powers. No omission or delay by Agent or Lender at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the Loan Parties at any time designated, shall be a waiver of any such right or remedy to which Agent or Lender is entitled, nor shall it in any way affect the right of Agent or Lender to enforce such provisions thereafter.

11.06 **Survival**. All agreements, representations and warranties contained in this Agreement and the other Loan Documents or in any document delivered pursuant hereto or thereto shall be for the benefit of Agent and Lender and shall survive the execution and delivery of this Agreement. **Sections 2.05, 6.03, 11.06, 11.13 and 11.18** shall survive the termination of this Agreement.

11.07 **Successors and Assigns**.

(a) The provisions of this Agreement and the other Loan Documents shall inure to the benefit of and be binding on each Loan Party and its permitted assigns (if any), except that no Loan Party shall assign its obligations under this Agreement or any of the other Loan Documents without Agent's express prior written consent, and any such attempted assignment shall be void and of no effect.

(b) Agent and Lender may assign, transfer or endorse its rights hereunder and under the other Loan Documents, without prior notice to the Loan Parties, and all of such rights shall inure to the benefit of Agent's and Lender's successors and assigns; provided that, as long as no Event of Default has occurred and is continuing: (i) neither Agent nor any Lender may assign, transfer or endorse its rights hereunder or under the Loan Documents to any party that is a direct competitor of any Loan Party (as reasonably determined by Agent in consultation with the Loan Parties), it being acknowledged that in all cases, an Affiliate of any Lender or Agent shall not be considered a direct competitor for this purpose.

(c) Agent, acting solely for this purpose as an agent of the Loan Parties, shall maintain at one of its offices a copy of each sale or assignment of the Lender pursuant to this **Section 11.07** and **Section 11.14** delivered to it and a register for the recordation of the names and addresses of the Lenders and the Term Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and the Loan Parties, Agent and the Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Loan Parties and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The identity of each Lender is permitted to be disclosed to the tax authorities of Switzerland by the relevant Swiss Guarantor. The parties agree that the foregoing is intended to ensure that the Loans are in "registered form" within the meaning of Section 5f.103-1(c) of the Treasury Regulations promulgated under the Code and shall be interpreted consistently therewith.

(d) (i) Any Lender may, without the consent of the Borrower or the Agent, sell participations to one or more banks or other entities (excluding (x) Parent and its Affiliates and (y) any Person that is a direct competitor of any Loan Party (as reasonably determined by Agent in consultation with the Loan Parties)) (a "***Participant***") in all or a portion of such Lender's rights and obligations under this Agreement; provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to **Section 11.03(b)** that affects such Participant. Subject to paragraph (d)(ii) of this **Section 11.07**, the Borrower and agrees that each Participant shall be entitled to the benefits of **Section 2.08** (subject to the requirements and limitations therein) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to **Section 11.07(b)**.

(ii) a Participant shall not be entitled to receive any greater payment under **Section 2.08** than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (as applicable) or such right to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant shall not be entitled to the benefits of **Section 2.08** unless the Borrower is notified of the participation sold to such Participant and such Participant complies with **Section 2.08(g)** as though it were a Lender (it being understood that the documentation required under **Section 2.08(g)** shall be delivered to the participating Lender). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the 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 Loans or other obligations under the Loan Documents (the "***Participant Register***"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

11.08 **Exposure Transfers**. Subject to **Section 11.07**, no Lender shall enter into any arrangement with another person under which such Lender substantially transfers its exposure under this Agreement to that other person, unless under such arrangement throughout the life of such arrangement:

(a) relationship between the Lender and that other person is that of a debtor and creditor (including in the bankruptcy or similar event of the Lender or any Loan Party);

(b) the other person will have no proprietary interest in the benefit of this Agreement or in any monies received by the Lender under or in relation to this Agreement; and

(c) the other person will under no circumstances (other than permitted transfers and assignments under **Section 11.07**) (y) be subrogated to, or substituted in respect of, the Lender's claims under this Agreement; and (z) have otherwise any contractual relationship with, or rights against, the Loan Parties under or in relation to this Agreement.

11.09 **Governing Law**. This Agreement and the other Loan Documents have been negotiated and delivered to Agent and Lender in the State of New York. This Agreement and the other Loan Documents (other than the Bermuda Security Documents, the English Security Documents, the Irish Security Documents, the Swiss Security Documents and such other Loan Documents as expressly state the contrary) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

11.10 CONSENT TO JURISDICTION AND VENUE. ALL JUDICIAL PROCEEDINGS ARISING IN OR UNDER OR RELATED TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN ANY STATE COURT LOCATED IN THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURTS FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST BORROWER OR ANY OTHER LOAN PARTY OR ITS OR THEIR PROPERTIES IN THE COURTS OF ANY JURISDICTION. BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN THIS **SECTION 11.10**. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT. SERVICE OF PROCESS ON ANY PARTY HERETO IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE EFFECTIVE IF GIVEN IN ACCORDANCE WITH THE REQUIREMENTS FOR NOTICE SET FORTH IN **SECTION 11.02**, AND SHALL BE DEEMED EFFECTIVE AND RECEIVED AS SET FORTH IN **SECTION 11.02**. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

11.11 **Mutual Waiver of Jury Trial**. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert Person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF THE LOAN PARTIES, AGENT AND LENDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "***CLAIMS***") ASSERTED BY THE LOAN PARTIES AGAINST AGENT, LENDER OR THEIR RESPECTIVE ASSIGNEE OR BY AGENT, LENDER OR THEIR RESPECTIVE ASSIGNEE AGAINST ANY LOAN PARTY. This waiver extends to all such Claims, including Claims that involve Persons other than Agent, the Loan Parties and Lender; Claims that arise out of or are in any way connected to the relationship among the Loan Parties, Agent and Lender; and any Claims for damages, breach of contract, tort, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement or any other Loan Document.

11.12 **Professional Fees**. Each Loan Party promises to pay Agent's and Lender's reasonable and documented out-of-pocket fees and expenses necessary to finalize the loan documentation, including but not limited to reasonable attorneys' fees, UCC searches, filing costs, and other miscellaneous expenses. In addition, each Loan Party promises to pay any and all reasonable and documented out-of-pocket attorneys' and other professionals' fees and expenses incurred by Agent and Lender after the Closing Date in connection with or related to: (a) the Loans; (b) the administration, collection, or enforcement of the Loan; (c) the amendment or modification of the Loan Documents; (d) any waiver, consent, release, or termination under the Loan Documents; (e) the protection, preservation, audit, field exam, sale, lease, liquidation, or disposition of Collateral or the exercise of remedies with respect to the Collateral; (f) any legal, litigation, administrative, arbitration, or out of court proceeding in connection with or related to the Loan Parties or the Collateral, and any appeal or review thereof; and (g) any bankruptcy, restructuring, reorganization, assignment for the benefit of creditors, workout, foreclosure, or other action related to the Loan Parties, the Collateral, the Loan Documents, including representing Agent or Lender in any adversary proceeding or contested matter commenced or continued by or on behalf of any Loan Party's estate, and any appeal or review thereof.

11.13 **Confidentiality**. Agent and Lender acknowledge that certain items of Collateral and information provided to Agent and Lender by the Loan Parties are confidential and proprietary information of the Loan Parties, if and to the extent such information either (x) is marked as confidential by the Loan Parties at the time of disclosure, or (y) should reasonably be understood to be confidential (the "***Confidential Information***"). Accordingly, Agent and Lender agree that any Confidential Information it may obtain in the course of acquiring, administering, or perfecting Agent's security interest in the Collateral shall not be disclosed to any other Person or entity in any manner whatsoever, in whole or in part, without the prior written consent of the Loan Parties, except that Agent and Lender may disclose any such information: (a) to its own and to its Affiliates' limited partners, members, managers, directors, individuals or bodies responsible for governance of Agent or Lender (including Agent's and Agent's Affiliates' investment committees and limited partner advisory committees), officers, employees, accountants, counsel and other professional advisors if Agent or Lender in their sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Agent or Lender; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Agent's or Lender's counsel; (e) to comply with any legal requirement or law applicable to Agent or Lender; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under any Loan Document, including Agent's sale, lease, or other disposition of Collateral after default; (g) to any Participant or assignee of Agent or Lender or any prospective Participant or assignee; provided that such Participant or assignee or prospective Participant or assignee agrees in writing to be bound by this Section prior to disclosure; (h) to any investor or potential investor (or advisors or fiduciaries (including trustees) to such investor or potential investor) in connection with an investment or potential investment transaction in or with Agent or an Affiliate of Agent; or (i) otherwise with the prior consent of the Loan Parties; provided that any disclosure made in violation of this Agreement shall not affect the obligations of the Loan Parties or any of their respective Affiliates.

11.14 **Assignment of Rights**. Each Loan Party acknowledges and understands that Agent or Lender may, subject to **Section 11.07**, sell and assign all or part of its interest hereunder and under the Loan Documents to any Person or entity (an "***Assignee***"). After such assignment the term "***Agent***" or "***Lender***" as used in the Loan Documents shall mean and include such Assignee, and such Assignee shall be vested with all rights, powers and remedies of Agent and Lender hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Agent and Lender shall retain all rights, powers and remedies hereby given. No such assignment by Agent or Lender shall relieve any Loan Party of any of its obligations hereunder. Lender agrees that in the event of any transfer by it of the Note(s) (if any), it will endorse thereon a notation as to the portion of the principal of the Note(s), which shall have been paid at the time of such transfer and as to the date to which interest shall have been last paid thereon.

11.15 **Revival of Secured Obligations**. This Agreement and the Loan Documents shall remain in full force and effect and continue to be effective if any petition is filed by or against any Loan Party for liquidation or reorganization or examinership, if any Loan Party becomes insolvent or makes an assignment for the benefit of creditors, if a receiver or trustee is appointed for all or any significant part of any Loan Party's assets, or if any payment or transfer of Collateral is recovered from Agent or Lender. The Loan Documents and the Secured Obligations and Collateral security shall continue to be effective, or shall be revived or reinstated, as the case may be, if at any time payment and performance of the Secured Obligations or any transfer of Collateral to Agent, or any part thereof is rescinded, avoided or avoidable, reduced in amount, or must otherwise be restored or returned by, or is recovered from, Agent, Lender or by any obligee of the Secured Obligations, whether as a "***voidable preference***", "***fraudulent conveyance***", or otherwise, all as though such payment, performance, or transfer of Collateral had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, avoided, avoidable, restored, returned, or recovered, the Loan Documents and the Secured Obligations shall be deemed, without any further action or documentation, to have been revived and reinstated except to the extent of the full, final, and indefeasible payment to Agent or Lender in Cash.

11.16 **Counterparts**. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

11.17 **No Third Party Beneficiaries**. No provisions of the Loan Documents are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Agent, Lender and the Loan Parties unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions of the Loan Documents will be personal and solely among Agent, the Lender and the Loan Parties.

11.18 **Agency**.

(a) Lender hereby irrevocably appoints Hercules Capital, Inc. to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to (i) take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to the Agent under such Loan Documents, (iii) act as agent of Lender for purposes of acquiring, holding, enforcing and perfecting all Liens granted by the Loan Parties on the Collateral to secure any of the Secured Obligations and (iv) exercise such actions and powers as are reasonably incidental thereto.

(b) Lender agrees to indemnify the Agent in its capacity as such (to the extent not reimbursed by the Loan Parties and without limiting the obligation of the Loan Parties to do so), according to its respective Term Commitment percentages (based upon the total outstanding Term Loan Commitments) in effect on the date on which indemnification is sought under this **Section 11.18**, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent under or in connection with any of the foregoing. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

(c) Agent in Its Individual Capacity. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "***Lender***" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each such Person serving as Agent hereunder in its individual capacity.

(d) Exculpatory Provisions. The Agent shall have no duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent shall not:

(i) be subject to any fiduciary or other implied duties, regardless of whether any default or any Event of Default has occurred and is continuing;

(ii) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Lender, provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law; and

(iii) except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and the Agent shall not be liable for the failure to disclose, any information relating to the Loan Parties or any of their respective Affiliates that is communicated to or obtained by any Person serving as the Agent or any of its Affiliates in any capacity.

(e) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Lender or as the Agent shall believe in good faith shall be necessary, under the circumstances or (ii) in the absence of its own gross negligence or willful misconduct.

(f) The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in **Section 4** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

(g) Reliance by Agent. Agent may rely, and shall be fully protected in acting, or refraining to act, upon, any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, bond or other paper or document that it has no reason to believe to be other than genuine and to have been signed or presented by the proper party or parties or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties. In the absence of its gross negligence or willful misconduct, Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to Agent and conforming to the requirements of the Loan Agreement or any of the other Loan Documents. Agent may consult with counsel, and any opinion or legal advice of such counsel shall be full and complete authorization and protection in respect of any action taken, not taken or suffered by Agent hereunder or under any Loan Documents in accordance therewith. Agent shall have the right at any time to seek instructions concerning the administration of the Collateral from any court of competent jurisdiction. Agent shall not be under any obligation to exercise any of the rights or powers granted to Agent by this Agreement and the other Loan Documents at the request or direction of Lenders unless Agent shall have been provided by Lender with adequate security and indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction.

11.19 Publicity. None of the parties hereto nor any of its respective member businesses and Affiliates shall, without the other parties' prior written consent (which shall not be unreasonably withheld or delayed), publicize or use (a) the other party's name (including a brief description of the relationship among the parties hereto), logo or hyperlink to such other parties' web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "***Publicity Materials***"); (b) the names of officers of such other parties in the Publicity Materials; and (c) such other parties' name, trademarks, servicemarks in any news or press release concerning such party; provided, however, notwithstanding anything to the contrary herein, no such consent shall be required (i) to the extent necessary to comply with the requests of any regulators, legal requirements or laws applicable to such party, pursuant to any listing agreement with any national securities exchange (so long as such party provides prior notice to the other party hereto to the extent reasonably practicable) and (ii) to comply with **Section 11.13**.

11.20 Service of Process. Parent, Myovant England, Myovant Ireland, and Myovant Switzerland shall each appoint C T Corporation System as its agent for the purpose of receiving and forwarding service of any process in the United States of America.

11.21 Multiple Loan Parties.

(a) Loan Party's Agent. Each Loan Party hereby irrevocably appoints Parent as its agent, attorney-in-fact and legal representative for all purposes, including requesting disbursement of the Term Loan and receiving account statements and other notices and communications to Loan Party (or any of them) from the Agent or any Lender. The Agent may rely, and shall be fully protected in relying, on any request for the Term Loan, disbursement instruction, report, information or any other notice or communication made or given by Parent, whether in its own name or on behalf of one or more of the other Loan Parties, and the Agent shall not have any obligation to make any inquiry or request any confirmation from or on behalf of any other Loan Party as to the binding effect on it of any such request, instruction, report, information, other notice or communication, nor shall the joint and several character of the Loan Parties' obligations hereunder or any other Loan Document be affected thereby.

(b) Waivers. Each Loan Party hereby waives: (i) any right to require the Agent to institute suit against, or to exhaust its rights and remedies against, any other Loan Party or any other person, or to proceed against any property of any kind which secures all or any part of the Secured Obligations, or to exercise any right of offset or other right with respect to any reserves, credits or deposit accounts held by or maintained with the Agent or any Indebtedness of the Agent or any Lender to any other Loan Party, or to exercise any other right or power, or pursue any other remedy the Agent or any Lender may have; (ii) any defense arising by reason of any disability or other defense of any other Loan Party or any endorser, co-maker or other person, or by reason of the cessation from any cause whatsoever of any liability of any other

Loan Party or any endorser, co-maker or other person, with respect to all or any part of the Secured Obligations, or by reason of any act or omission of the Agent or others which directly or indirectly results in the discharge or release of any other Loan Party or any other person or any Secured Obligations or any security therefor, whether by operation of law or otherwise; (iii) any defense arising by reason of any failure of the Agent to obtain, perfect, maintain or keep in force any Lien on, any property of any Loan Party or any other person; (iv) any defense based upon or arising out of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any other Loan Party or any endorser, co-maker or other person, including without limitation any discharge of, or bar against collecting, any of the Secured Obligations (including without limitation any interest thereon), in or as a result of any such proceeding. Until all of the Secured Obligations have been paid, performed, and discharged in full, nothing shall discharge or satisfy the liability of any Loan Party hereunder except the full performance and payment of all of the Secured Obligations. If any claim is ever made upon the Agent for repayment or recovery of any amount or amounts received by the Agent in payment of or on account of any of the Secured Obligations, because of any claim that any such payment constituted a preferential transfer or fraudulent conveyance, or for any other reason whatsoever, and the Agent repays all or part of said amount by reason of any judgment, decree or order of any court or administrative body having jurisdiction over the Agent or any of its property, or by reason of any settlement or compromise of any such claim effected by the Agent with any such claimant (including without limitation the any other Loan Party), then and in any such event, each Loan Party agrees that any such judgment, decree, order, settlement and compromise shall be binding upon such Loan Party, notwithstanding any revocation or release of this Agreement or the cancellation of any note or other instrument evidencing any of the Secured Obligations, or any release of any of the Secured Obligations, and each Loan Party shall be and remain liable to the Agent and the Lenders under this Agreement for the amount so repaid or recovered, to the same extent as if such amount had never originally been received by the Agent or any Lender, and the provisions of this sentence shall survive, and continue in effect, notwithstanding any revocation or release of this Agreement. Each Loan Party hereby expressly and unconditionally waives all rights of subrogation, reimbursement and indemnity of every kind against any other Loan Party, and all rights of recourse to any assets or property of any other Loan Party, and all rights to any collateral or security held for the payment and performance of any Secured Obligations, including (but not limited to) any of the foregoing rights which any Loan Party may have under any present or future document or agreement with any other Loan Party or other person, and including (but not limited to) any of the foregoing rights which any Loan Party may have under any equitable doctrine of subrogation, implied contract, or unjust enrichment, or any other equitable or legal doctrine.

(c) Consents. Each Loan Party hereby consents and agrees that, without notice to or by any Loan Party and without affecting or impairing in any way the obligations or liability of any Loan Party hereunder, the Agent may, from time to time before or after revocation of this Agreement, do any one or more of the following in its sole and absolute discretion: (i) accept partial payments of, compromise or settle, renew, extend the time for the payment, discharge, or performance of, refuse to enforce, and release all or any parties to, any or all of the Obligations; (ii) grant any other indulgence to any Loan Party or any other Person in respect of any or all of the Secured Obligations or any other matter; (iii) accept, release, waive, surrender, enforce, exchange, modify, impair, or extend the time for the performance, discharge, or payment of, any and all property of any kind securing any or all of the Secured Obligations or any guaranty of any or all of the Secured Obligations, or on which the Agent at any time may have a Lien, or refuse to enforce its rights or make any compromise or settlement or agreement therefor in respect of any or all of such property; (iv) substitute or add, or take any action or omit to take any action which results in the release of, any one or more other Loan Parties or any endorsers of all or any part of the Secured Obligations, including, without limitation one or more parties to this Agreement, regardless of any destruction or impairment of any right of contribution or other right of any Loan Party; (v) apply any sums received from any other Loan Party, any guarantor, endorser, or co-signer, or from the disposition of any Collateral or security, to any Indebtedness whatsoever owing from such person or secured by such Collateral or security, in such manner and order as the Agent determines in its sole discretion, and regardless of whether such Indebtedness is part of the Secured Obligations, is secured, or is due and payable. Each Loan Party consents and agrees that the Agent shall be under no obligation to marshal any assets in favor of any Loan Party, or against or in payment of any or all of the Secured Obligations. Each Loan Party further consents and agrees that the Agent shall have no duties or responsibilities whatsoever with respect to any property securing any or all of the Secured Obligations. Without limiting the generality of the foregoing, the Agent shall have no obligation to monitor, verify, audit, examine, or obtain or maintain any insurance with respect to, any property securing any or all of the Secured Obligations.

(d) Independent Liability. Each Loan Party hereby agrees that one or more successive or concurrent actions may be brought hereon against such Loan Party, in the same action in which any other Loan Party may be sued or in separate actions, as often as deemed advisable by Agent. Each Loan Party is fully aware of the financial condition of each other Loan Party and is executing and delivering this Agreement based solely upon its own independent investigation of all matters pertinent hereto, and such Loan Party is not relying in any manner upon any representation or statement of the Agent or any Lender with respect thereto. Each Loan Party represents and warrants that it is in a position to obtain, and each Loan Party hereby assumes full responsibility for obtaining, any additional information concerning any other Loan Party's financial condition and any other matter pertinent hereto as such Loan Party may desire, and such Loan Party is not relying upon or expecting the Agent to furnish to it any information now or hereafter in the Agent's possession concerning the same or any other matter.

(e) Subordination. All Indebtedness of a Loan Party or any Subsidiary of a Loan Party now or hereafter arising held by another Loan Party or Subsidiary of a Loan Party is subordinated to the Secured Obligations and the Loan Party holding the Indebtedness shall take all actions reasonably requested by Agent to effect, to enforce and to give notice of such subordination, or if the Indebtedness is held by a Subsidiary of a Loan Party, such Loan Party shall take all actions reasonably requested by Agent to cause the Subsidiary to effect, to enforce and to give notice of such subordination.

11.22 Swiss Limitation. Notwithstanding anything to the contrary in this Agreement and the other Loan Documents, the obligations of Myovant Switzerland or any other Loan Party incorporated in Switzerland (collectively, the "***Swiss Guarantor***") and the rights of Agent and Lender under this Agreement and the other Loan Documents are subject to the following limitations:

(a) If and to the extent a guarantee or security interest granted or any other obligations assumed by a Swiss Guarantor under this Agreement and the other Loan Documents guarantees or secures obligations of its (direct or indirect) parent company (upstream security) or its sister companies (cross-stream security) (the "***Upstream or Cross-Stream Secured Obligations***") and if and to the extent using the proceeds from the enforcement of such guarantee, security interest or other obligation to discharge the Upstream or Cross-Stream Secured Obligations would constitute a repayment of capital (*Einlagerückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) under Swiss corporate law or would otherwise be restricted under Swiss law and practice then applicable, the proceeds from the enforcement of such guarantee, security interest or other obligation to be used to discharge the Upstream or Cross-Stream Secured Obligations shall be limited to the maximum amount of that Swiss Guarantor's freely disposable shareholder or quotaholder equity at the time of enforcement (the "***Maximum Amount***"); provided that such limitation is required under the applicable law at that time and that such limitation shall not free the Swiss Guarantor from its obligations in excess of the Maximum Amount, but merely postpone the performance date of those obligations until such time or times as performance is again permitted under then applicable law. This Maximum Amount of freely disposable shareholder or quotaholder equity shall be determined in accordance with Swiss law and applicable Swiss accounting principles, and, if and to the extent required by applicable Swiss law, shall be confirmed by the auditors of the Swiss Guarantor on the basis of an interim audited balance sheet as of that time.

(b) In respect of Upstream or Cross-Stream Secured Obligations, the Swiss Guarantor shall, as concerns the proceeds resulting from the enforcement of the guarantee or security interest granted or other obligations assumed under this Agreement and the other Loan Documents, if and to the extent required by applicable law in force at the relevant time:

(i) procure that such enforcement proceeds can be used to discharge Upstream or Cross-Stream Secured Obligations without deduction of Swiss Withholding Tax by discharging the liability to such tax by notification pursuant to applicable law rather than payment of the tax;

(ii) if the notification procedure pursuant to sub-paragraph (i) above does not apply, deduct the Swiss Withholding Tax at such rate (currently thirty-five percent (35%) at the date of this Agreement) as is in force from time to time from any such enforcement proceeds used to discharge Upstream or Cross-Stream Secured Obligations, and pay, without delay, any such taxes deducted to the Swiss Federal Tax Administration;

(iii) notify the Agent that such notification or, as the case may be, deduction has been made, and provide the Agent with evidence that such a notification of the Swiss Federal Tax Administration has been made or, as the case may be, such taxes deducted have been paid to the Swiss Federal Tax Administration; and

(iv) in the case of a deduction of Swiss Withholding Tax, use its best efforts to ensure that any person, which is entitled to a full or partial refund of the Swiss Withholding Tax deducted from such enforcement proceeds, will, as soon as possible after such deduction, (A) request a refund of the Swiss Withholding Tax under applicable law (including tax treaties), and (B) pay to the Agent upon receipt any amount so refunded.

(c) The Swiss Guarantor shall promptly take and promptly cause to be taken any action, including the following:

(i) the passing of any shareholders' or quotaholders' resolutions, as may be the case, to approve the use of the enforcement proceeds, which may be required as a matter of Swiss mandatory law in force at the time of the enforcement of the security interest in order to allow a prompt use of the enforcement proceeds;

(ii) preparation of up-to-date audited balance sheet of the Swiss Guarantor;

(iii) confirmation of the auditors of the Swiss Guarantor that the relevant amount represents the Maximum Amount;

(iv) conversion of restricted reserves into profits and reserves freely available for the distribution as dividends (to the extent permitted by mandatory Swiss law);

(v) to the extent permitted by applicable law, Swiss accounting standards, write-up or realize any of its assets that are shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of realization, however, only if such assets are not necessary for the Swiss Guarantor's business (*nicht betriebsnotwendig*); and

(vi) all such other measures necessary to allow the Swiss Guarantor to use enforcement proceeds as agreed hereunder with a minimum of limitations.

SECTION 12 THE GUARANTEE

12.01 The Guarantee. The Guarantors hereby jointly and severally guarantee to the Lenders and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans and all fees and other amounts from time to time owing to the Lenders by Borrower under this Agreement or under any other Loan Document and by any other Loan Party under any of the Loan Documents (but excluding any obligations under **Section 8**), in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "***Guaranteed Obligations***"). The Guarantors hereby further jointly and severally agree that if Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

12.02 Obligations Unconditional. The obligations of the Guarantors under **Section 12.01** are absolute and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of Borrower under this Agreement or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this **Section 12.02** that the obligations of the Guarantors hereunder shall be absolute and unconditional, joint and several, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of this Agreement or any other agreement or instrument referred to herein shall be done or omitted;

(c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or any other agreement or instrument referred to herein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

(d) any lien or security interest granted to, or in favor of, the Lenders as security for any of the Guaranteed Obligations shall fail to be perfected.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Lender exhaust any right, power or remedy or proceed against Borrower under this Agreement or any other agreement or instrument referred to herein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

12.03 **Reinstatement**. The obligations of the Guarantors under this **Section 12** shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantors jointly and severally agree that they will indemnify the Lenders on demand for all reasonable costs and expenses (including fees of counsel) incurred by the Lenders in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

12.04 **Subrogation**. The Guarantors hereby jointly and severally agree that until the payment and satisfaction in full of all Guaranteed Obligations and the expiration and termination of the Term Commitments, they shall not exercise any right or remedy arising by reason of any performance by them of their guarantee in **Section 12.01**, whether by subrogation or otherwise, against Borrower or any other guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

12.05 **Remedies**. The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of Borrower under this Agreement and under the other Loan Documents may be declared to be forthwith due and payable as provided in **Section 9** (and shall be deemed to have become automatically due and payable in the circumstances provided in **Section 9**) for purposes of **Section 12.01** notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Borrower) shall forthwith become due and payable by the Guarantors for purposes of **Section 12.01**.

12.06 **Instrument for the Payment of Money**. Each Guarantor hereby acknowledges that the guarantee in this **Section 12** constitutes an instrument for the payment of money, and consents and agrees that the Lenders, at their sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to proceed by motion for summary judgment pursuant to Sections 437c-438 of the California Civil Code (Summary Judgments and Motions for Judgment on the Pleadings).

12.07 **Continuing Guarantee**. The guarantee in this **Section 12** is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

12.08 **Rights of Contribution**. The Guarantors hereby agree, as between themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any Guaranteed Obligations, each other Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Guaranteed Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this **Section 12.08** shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the other provisions of this **Section 12** and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations.

For purposes of this **Section 12.08**, (i) "***Excess Funding Guarantor***" means, in respect of any Guaranteed Obligations, a Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "***Excess Payment***" means, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "***Pro Rata Share***" means, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been Guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of Borrower and the Guarantors hereunder and under the other Loan Documents) of all of the Guarantors, determined (A) with respect to any Guarantor that is a party hereto on the first Advance Date, as of such Advance Date, and (B) with respect to any other Guarantor, as of the date such Guarantor becomes a Guarantor hereunder.

12.09 **General Limitation on Guarantee Obligations**. In any action or proceeding involving any provincial, territorial or state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under **Section 12.01** would otherwise, taking into account the provisions of **Section 12.08**, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under **Section 12.01**, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

12.10 **Certain Waivers**.

(a) To the extent permitted under applicable law, each Loan Party hereby waives any rights and defenses that are or may become available to such Loan Party by reason of Sections 2787 to 2855, inclusive, of the California Civil Code.

(b) To the extent permitted under applicable law, each Loan Party waives all rights and defenses arising out of an election of remedies by the Lenders, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed such Loan Party's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise.

12.11 Guarantee Limitations – Ireland.

Guarantee Limitations – Ireland

(a) The guarantee contained in this **Section 12.11** does not apply to any liability to the extent that it would result in the guarantee (i) constituting unlawful financial assistance within the meaning of Section 82 of the Companies Act 2014 of Ireland or (ii) constituting a breach of Section 239 of the Companies Act 2014 of Ireland.

(b) Each party acknowledges that to the extent that the guarantee has been validated under Section 202 of the Companies Act 2014 of Ireland it shall not constitute unlawful financial assistance under Section 82 of the Companies Act 2014 of Ireland and to the extent that Section 243 of the Companies Act 2014 of Ireland applies it shall not constitute a breach of Section 239 of the Companies Act 2014 of Ireland.

12.12 Guarantee Limitations – U.K.

The guarantee contained in this **Section 12** does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006.

[Signature Pages Follow]

IN WITNESS WHEREOF, Loan Parties, Agent and Lender have duly executed and delivered this Loan and Security Agreement as of the day and year first above written.

BORROWER:

MYOVANT SCIENCES LTD.

Signature:	/s/ Marianne L. Romeo
Print Name:	Marianne L. Romeo
Title:	Head, Global Transactions & Risk Management

GUARANTORS:

MYOVANT HOLDINGS LIMITED

Signature:	/s/ Marianne L. Romeo
Print Name:	Marianne L. Romeo
Title:	Director
in the presence of:	
Witness Signature	/s/ Kathleen S. Valdez
Print Name:	Kathleen S. Valdez
Witness Address:	25 Southcourt Ave., Paget, Bermuda

MYOVANT SCIENCES GMBH

Signature:	/s/ Mark Altmeyer
Print Name:	Mark Altmeyer
Title:	Manager

MYOVANT SCIENCES IRELAND LIMITED

GIVEN under the common seal of
MYOVANT SCIENCES IRELAND LIMITED
and delivered as a deed

/s/ David Pierce
Director

/s/ Eoin O'Neill
Director/Secretary

MYOVANT SCIENCES, INC.

Signature:	/s/ Matthew Lang
Print Name:	Matthew Lang
Title:	General Counsel & Corporate Secretary

AGENT AND LENDER:

HERCULES CAPITAL, INC.

Signature: /s/ Zhuo Huang
Print Name: Zhuo Hang
Title: Associate General Counsel

Table of Exhibits and Schedules

Exhibit A: Joinder Agreement
Exhibit B: Term Note
Exhibit C: Compliance Certificate
Exhibit D: ACH Authorization
Exhibit E: Form of Subordination Agreement

Schedule 1.01(a) Clinical Trials
Schedule 1.01(b) Commitments

EXHIBIT A

FORM OF JOINDER AGREEMENT

This Joinder Agreement (the "***Joinder Agreement***") is made and dated as of [ ], 20[ ], and is entered into by and between _____, a _____ corporation ("***Subsidiary***"), and Hercules Capital, Inc., a Maryland corporation (as "***Agent***").

RECITALS

A. Subsidiary's Affiliate, Myovant Sciences Ltd. ("***Parent***") has entered/desires to enter into that certain Loan and Security Agreement dated as of October 16, 2017, with Parent, each Guarantor (as defined in the Loan Agreement), the several banks and other financial institutions or entities from time to time party thereto as lender (collectively, the "***Lender***") and the Agent, as such agreement may be amended, restated or modified (the "***Loan Agreement***"), together with the other agreements executed and delivered in connection therewith;

B. Subsidiary acknowledges and agrees that it will benefit both directly and indirectly from Parent's execution of the Loan Agreement and the other agreements executed and delivered in connection therewith;

AGREEMENT

NOW THEREFORE, Subsidiary and Agent agree as follows:

1. The recitals set forth above are incorporated into and made part of this Joinder Agreement. Capitalized terms not defined herein shall have the meaning provided in the Loan Agreement.

2. By signing this Joinder Agreement, Subsidiary shall be bound by the terms and conditions of the Loan Agreement the same as if it were a Guarantor (as defined in the Loan Agreement) under the Loan Agreement, mutatis mutandis, provided, however, that (a) with respect to (i) **Section 5.01** of the Loan Agreement, Subsidiary represents that it is an entity duly organized, legally existing and in good standing under the laws of [ ], (b) neither Agent nor Lender shall have any duties, responsibilities or obligations to Subsidiary arising under or related to the Loan Agreement or the other Loan Documents, (c) that if Subsidiary is covered by Parent's insurance, Subsidiary shall not be required to maintain separate insurance or comply with the provisions of **Sections 6.01** and **6.02** of the Loan Agreement, and (d) that as long as Parent satisfies the requirements of **Section 7.01** of the Loan Agreement, Subsidiary shall not have to provide Agent separate Financial Statements. To the extent that Agent or Lender has any duties, responsibilities or obligations arising under or related to the Loan Agreement or the other Loan Documents, those duties, responsibilities or obligations shall flow only to Parent and not to Subsidiary or any other Person or entity. By way of example (and not an exclusive list): (i) Agent's providing notice to Parent in accordance with the Loan Agreement or as otherwise agreed among Parent, Agent and Lender shall be deemed provided to Subsidiary; (ii) a Lender's providing an Advance to Parent shall be deemed an Advance to Subsidiary; and (iii) Subsidiary shall have no right to request an Advance or make any other demand on Lender.

3. Subsidiary agrees not to certificate its equity securities without Agent's prior written consent, which consent may be conditioned on the delivery of such equity securities to Agent in order to perfect Agent's security interest in such equity securities.

4. Subsidiary acknowledges that it benefits, both directly and indirectly, from the Loan Agreement, and hereby waives, for itself and on behalf on any and all successors in interest (including without limitation any assignee for the benefit of creditors, receiver, bankruptcy trustee or itself as debtor-in- possession under any bankruptcy proceeding) to the fullest extent provided by law, any and all claims, rights or defenses to the enforcement of this Joinder Agreement on the basis that (a) it failed to receive adequate consideration for the execution and delivery of this Joinder Agreement or (b) its obligations under this Joinder Agreement are avoidable as a fraudulent conveyance.

5. As security for the prompt, complete and indefeasible payment when due (whether on the payment dates or otherwise) of all the Secured Obligations, Subsidiary grants to Agent a security interest in all of Subsidiary's right, title, and interest in and to the Collateral.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SUBSIDIARY:

By: _____
Name: _____
Title: _____

AGENT:

HERCULES CAPITAL, INC.

By: _____
Name: _____
Title: _____

EXHIBIT B

SECURED TERM
PROMISSORY NOTE

THIS NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT" WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND THIS LEGEND IS REQUIRED BY SECTION 1275(c) OF THE CODE. UPON WRITTEN REQUEST, BORROWER WILL PROVIDE TO ANY HOLDER OF THE NOTE (1) THE ISSUE PRICE AND DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE AND (3) THE ORIGINAL YIELD TO MATURITY OF THE NOTE. SUCH REQUEST SHOULD BE SENT TO BORROWER AT (650) 238-0241.

$[___]

Advance Date: _____, 20[ ]
Maturity Date: _____, 20[ ]

FOR VALUE RECEIVED, Myovant Sciences Ltd., an exempted company incorporated and organized under the laws of Bermuda hereby promises to pay to the order of Hercules Capital, Inc., a Maryland corporation (the "***Lender***") at [*Payment Address*] or such other place of payment as the holder of this Secured Term Promissory Note (this "***Promissory Note***") may specify from time to time in writing, in lawful money of the United States of America, the principal amount of [$___] or such other principal amount as Lender has advanced to Borrower, together with interest at a rate as set forth in **Section 2.01(c)** of the Loan Agreement based upon a year consisting of 360 days, with interest computed daily based on the actual number of days in each month.

This Promissory Note is the Note referred to in, and is executed and delivered in connection with, that certain Loan and Security Agreement dated as of October 16, 2017, by and among Borrower, the Guarantors, Hercules Capital, Inc., a Maryland corporation (the "***Agent***") and the several banks and other financial institutions or entities from time to time party thereto as lender (as the same may from time to time be amended, modified or supplemented in accordance with its terms, the "***Loan Agreement***"), and is entitled to the benefit and security of the Loan Agreement and the other Loan Documents (as defined in the Loan Agreement), to which reference is made for a statement of all of the terms and conditions thereof. All payments shall be made in accordance with the Loan Agreement. All terms defined in the Loan Agreement shall have the same definitions when used herein, unless otherwise defined herein. An Event of Default under the Loan Agreement shall constitute a default under this Promissory Note.

Borrower waives presentment and demand for payment, notice of dishonor, protest and notice of protest under the UCC or any applicable law. Borrower agrees to make all payments under this Promissory Note without setoff, recoupment or deduction and regardless of any counterclaim or defense. This Promissory Note has been negotiated and delivered to Lender in the State of New York. This Promissory Note shall be governed by and construed and enforced in accordance with, the laws of the State of New York, excluding any conflicts of law rules or principles that would cause the application of the laws of any other jurisdiction.

BORROWER:

MYOVANT SCIENCES LTD.

By:
Title:

EXHIBIT C

COMPLIANCE CERTIFICATE

Date: _____, 20[ ]

Hercules Capital, Inc. (as "***Agent***")
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
email: legal@herculestech.com, kkosofsky@htgc.com

Reference is made to that certain Loan and Security Agreement dated as of October 16, 2017 and the Loan Documents (as defined therein) entered into in connection with such Loan and Security Agreement all as may be amended from time to time (hereinafter referred to collectively as the "***Loan Agreement***") by and among Hercules Capital, Inc. (the "***Agent***"), the several banks and other financial institutions or entities from time to time party thereto (collectively, the "***Lender***") and Hercules Capital, Inc., as agent for the Lender (the "***Agent***") and Myovant Sciences Ltd. (the "***Parent***") as Borrower and each Guarantor party thereto. All capitalized terms not defined herein shall have the same meaning as defined in the Loan Agreement.

The undersigned is an Officer of Parent, knowledgeable of Parent's financial matters, and is authorized to provide certification of information regarding Parent; hereby certifies, in such capacity, that in accordance with the terms and conditions of the Loan Agreement, except as set forth below, each Loan Party is in compliance for the period ending _____ with all covenants, conditions and terms, including the financial covenant calculation of the Minimum Cash Amount set forth below. The undersigned further certifies the attached financial statements are prepared in accordance with GAAP or IFRS, as applicable (except for the absence of footnotes with respect to unaudited financial statement and subject to normal year-end adjustments) and are consistent from one period to the next except as explained below.

Exceptions:

REPORTING REQUIREMENT	REQUIRED	CHECK IF ATTACHED
Monthly Reporting	Monthly within 30 days (10 days for limited deliverables where no Event of Default is continuing)	
Interim Financial Statements	Quarterly within 45 days	
Audited Financial Statements	FYE within 90 days	

[Minimum Cash Amount Calculation:

A. Applicable Amount:	$[__]
B. amount of Secured Obligations	$[__]
C. Loan Parties' accounts payable under GAAP not paid after the 120th day following the invoice date for such account payable:	$[__]
D. [A+C]	$[__]
E. [B+C]	$[__]
F. Lesser of D and E	$[__]
G. Unrestricted Cash	$[__]
Compliance [G > F?]	[Yes] [No]

][1]

The undersigned hereby confirms that the Loan Parties are in compliance with the applicable covenants contained in the Loan Agreement[, including **Section 7.16** of the Loan Agreement,] as of the date first set forth above.

The undersigned hereby also confirms the below disclosed accounts represent all depository accounts and securities accounts presently open in the name of each Loan Party or Subsidiary, as applicable.

		Depository AC #	Financial Institution	Account Type (Depository / Securities)	Last Month Ending Account Balance	Purpose of Account
LOAN PARTY Name/Address:						
	1					
	2					
	3					
	4					
	5					
	6					
	7					
LOAN PARTY/ SUBSIDIARY Name/Address						
	1					
	2					
	3					
	4					
	5					
	6					
	7					

Very Truly Yours,

MYOVANT SCIENCES LTD.

By: _____

Name:

Its:

[1] To be included in Certificates delivered on and after December 31, 2017 and before achievement of both the Financing Milestone and the Clinical Milestone.

EXHIBIT D

ACH DEBIT AUTHORIZATION AGREEMENT

Hercules Capital, Inc.
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301

Re: Loan and Security Agreement dated _____ (the "Agreement") by and among _____ ("Borrower") and Hercules Capital, Inc., as agent ("Company") and the lenders party thereto (collectively, the "Lender")

In connection with the above referenced Agreement, the Borrower hereby authorizes the Company to initiate debit entries for (i) the periodic payments due under the Agreement and (ii) out-of-pocket legal fees and costs incurred by Agent or Lender pursuant to **Section 11.11** of the Agreement to the Borrower's account indicated below. The Borrower authorizes the depository institution named below to debit to such account.

[IF FILED PUBLICLY, ACCOUNT INFO REDACTED FOR SECURITY PURPOSES]

DEPOSITORY NAME	BRANCH
CITY	STATE AND ZIP CODE
TRANSIT/ABA NUMBER	ACCOUNT NUMBER

This authority will remain in full force and effect so long as any amounts are due under the Agreement.

_____

(Borrower)(Please Print)

By: _____

Date: _____

EXHIBIT E

FORM OF SUBORDINATION AGREEMENT

(See Attached)

SCHEDULE 1.01(a)

CLINICAL STUDIES

Clinical Study	**Indication**
1. LIBERTY 1: Efficacy & Safety Study of Relugolix in Women With Heavy Menstrual Bleeding Associated With Uterine Fibroids – Clinical Trials.gov Identifier: NCT03049735	Heavy menstrual bleeding associated with uterine fibroids
2. LIBERTY 2: Efficacy & Safety Study of Relugolix in Women With Heavy Menstrual Bleeding Associated With Uterine Fibroids – Clinical Trials.gov Identifier: NCT03103087	Heavy menstrual bleeding associated with uterine fibroids
3. SPIRIT 1: Efficacy and Safety Study of Relugolix in Women With Endometriosis-Associated Pain – Clinical Trials.gov Identifier: NCT03204318	Endometriosis-associated pain
4. SPIRIT 2: Efficacy and Safety Study of Relugolix in Women With Endometriosis-Associated Pain – Clinical Trials.gov Identifier: NCT03204331	Endometriosis-associated pain
5. Study to Evaluate the Safety and Efficacy of Relugolix in Men With Advanced Prostate Cancer (HERO) – Clinical Trials.gov Identifier: NCT03085095	Advanced prostate cancer

SCHEDULE 1.01(b)

COMMITMENTS

LENDER	TRANCHE	COMMITMENT
HERCULES CAPITAL, INC.	1	$25,000,000
HERCULES CAPITAL, INC.	2	$15,000,000
TOTAL COMMITMENTS		**$40,000,000**

THE AGENT AND THE NOTE PARTIES ARE EACH PARTY TO AN INTERCREDITOR AGREEMENT DATED AS OF OCTOBER 16, 2017, WITH HERCULES CAPITAL, INC., AS SENIOR CREDITOR, AND THE OTHER PARTIES PARTY THERETO FROM TIME TO TIME, AND THE TERMS OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY RIGHTS OF ENFORCEMENT HEREUNDER, ARE SUBJECT TO THE TERMS OF SUCH INTERCREDITOR AGREEMENT, AND IF ANY CONFLICT SHALL EXIST BETWEEN THE TERMS HEREUNDER AND THE TERMS OF SUCH INTERCREDITOR AGREEMENT, THE TERMS OF SUCH INTERCREDITOR AGREEMENT WILL GOVERN AND CONTROL.

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT is made and dated as of October 16, 2017, and is entered into by and between Myovant Sciences Ltd., an exempted company incorporated and organized under the laws of Bermuda ("***Parent***" or "***Issuer***"), Myovant Holdings Limited, a company incorporated in England and Wales with registered number 10317663 whose registered address is Suite 1, 3rd Floor 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB ("***Myovant England***"), Myovant Sciences GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated and organized under the laws of Switzerland ("***Myovant Switzerland***"), Myovant Sciences Ireland Limited, a private company limited by shares organized under the laws of Ireland with registered number 601541 whose registered address is 24/26 City Quay, Dublin 2 ("***Myovant Ireland***"), Myovant Sciences, Inc., a Delaware corporation ("***Myovant Delaware***" and, together with Myovant England and Myovant Switzerland and Myovant Ireland, each a "***Guarantor***" and, together with the other subsidiary guarantors from time to time party hereto, collectively the "***Guarantors***"), the several banks and other financial institutions or entities from time to time parties to this Agreement (each referred to as a "***Purchaser***" and collectively referred to as "***Purchasers***") and NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P., a Cayman Islands exempted limited partnership, in its capacity as administrative agent and collateral agent for itself and the Purchasers (in such capacity, the "***Agent***").

RECITALS

A. Issuer proposes to issue and sell Notes and establish a Note issuance programme pursuant to and incorporating by reference the terms of this Agreement;

B. Issuer has requested the Purchasers to purchase from Issuer Notes in an aggregate principal amount of up to Sixty Million Dollars ($60,000,000) pursuant to the terms of this Agreement and during the term of the Note issuance programme hereby established;

C. Issuer has requested the Purchasers to purchase from Issuer, on or after fifteen (15) Business Days after the date hereof, Notes in an aggregate principal amount of Six Million Dollars ($6,000,000);

D. Concurrent with each purchase of Notes hereunder, each Purchaser, through itself or its Affiliate, and subject to applicable law and regulations, has agreed to purchase Common Shares of the Parent as set forth herein;

E. Each Purchaser is willing to purchase the Notes on the terms and conditions set forth in this Agreement; and

F. Pursuant to the terms of this Agreement, the Issuer may enter into Intercreditor Agreements from time to time governing the rights of the parties hereto.

AGREEMENT

NOW, THEREFORE, each Note Party, Agent and each Purchaser agrees as follows:

SECTION 1 DEFINITIONS AND RULES OF CONSTRUCTION

1.01 Definitions. The following capitalized terms shall have the following meanings:

"***Account Control Agreement(s)***" means any agreement entered into by and among the Agent, any Note Party and a third-party bank or other institution (including a Securities Intermediary) with which any Note Party maintains a Deposit Account or an account holding Investment Property.

"***Administration Fee***" means an annual administrative fee of Three Hundred Thousand Dollars ($300,000).

"***Affiliate***" means any Person that directly or indirectly controls, is controlled by, or is under common control with the Person in question. As used in the definition of "***Affiliate,***" the term "***control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"***Agent***" has the meaning given to it in the preamble to this Agreement.

"***Agreement***" means this Securities Purchase Agreement, as amended from time to time.

"***Amortization Date***" means November 1, 2020; provided, however, if no Event of Default or Material Adverse Effect has occurred and is continuing, then, upon the written request of Issuer received on or prior to November 1, 2020, such date shall be extended to November 1, 2021.

"***Anti-Corruption Laws***" shall mean all laws, rules, and regulations of any jurisdiction applicable to Parent or any of its Subsidiaries or Affiliates from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, the Prevention of Corruption Acts 1889 to 2010 of Ireland and other similar legislation in any other jurisdictions.

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

"***Assignee***" has the meaning given to it in **Section 11.14**.

"***Bermuda Security Documents***" means the following documents, each in form and substance reasonably satisfactory to Agent: (a) that certain Bermuda-law security agreement, dated as of the date hereof, between Parent and Agent, and (b) such other documents incidental to the foregoing documents as Agent may reasonably determine necessary.

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

"***Board***" means Parent's Board of Directors.

"***Board of Directors***" means the board of directors or comparable governing body of such Person, or any subcommittee thereof, as applicable.

"***Business Day***" means any day other than Saturday, Sunday and any other day on which banking institutions in the State of New York are closed for business.

"***Cash***" means all cash, cash equivalents and liquid funds.

"***Change in Control***" means (a) any reorganization, recapitalization, consolidation, amalgamation or merger (or similar transaction or series of related transactions) of Parent, or any sale or exchange of outstanding Common Shares (or similar transaction or series of related transactions) of Parent, and in each case as a result of such transaction any Person or "group" (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the date hereof) other than Roivant owns, directly or indirectly, shares representing more than thirty-five percent (35%) of the voting power of Parent or such surviving entity; or (b) Parent, directly or indirectly, ceases to own one hundred percent (100%) (excluding Nominal Shares) of the Equity Interests of each of the Guarantors. Notwithstanding the foregoing, neither the merger of a Note Party into another Note Party nor any Permitted Transfer shall constitute a Change in Control.

"***Change in Law***" means the occurrence after the Closing Date or, with respect to any Purchaser, such later date on which such Purchaser becomes a party to this Agreement of (a) the adoption of any law, rule or regulation or treaty, (b) any change in any law, rule or regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) compliance by any Purchaser with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after such date, provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) 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 Law***", regardless of the date enacted, adopted or issued.

"***Claims***" has the meaning given to it in **Section 11.11**.

"***Clinical Studies***" means all clinical studies listed on Schedule 1.01(a).

"***Closing Date***" means the date of this Agreement.

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

"***Collateral***" has the meaning given to it in **Section 3.04**.

"***Commission***" means the United States Securities and Exchange Commission.

"***Common Shares***" means the Common Shares, $0.000017727 par value per share, of the Parent.

"***Compliance Certificate***" means the compliance certificate in the form attached hereto as **Exhibit C**.

"***Confidential Information***" has the meaning given to it in **Section 11.13**.

"***Contingent Obligation***" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any Indebtedness, lease, dividend, letter of credit or other obligation of another, including any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any Hedging Agreement; provided, however, that the term "***Contingent Obligation***" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the amount that would be required to be shown as a liability on a balance sheet prepared in accordance with GAAP or IFRS, as applicable; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"***Contribution Notice***" means a contribution notice issued by the U.K. Pensions Regulator under section 38 or section 47 of the Pensions Act 2004.

"***Controlled Foreign Corporation***" means any subsidiary of the Parent (i) which is a "controlled foreign corporation" within the meaning of Section 957 of the Code or (ii) which is organized under the laws of the United States (or any state thereof) and has no material assets other than Equity Interests of Persons described in clause (i).

"***Copyright License***" means any written agreement granting any right to use any Copyright or Copyright registration, now owned or hereafter acquired by any Note Party or in which any Note Party now holds or hereafter acquires any interest.

"***Copyrights***" means all copyrights, whether registered or unregistered, held pursuant to the laws of the United States of America, any State thereof, Bermuda, the United Kingdom, Ireland, Switzerland or of any other country.

"***Current Pay Interest***" has the meaning given to it in **Section 2.01(d)**.

"***Deposit Accounts***" means any "***deposit account,***" as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit wherever located.

"***Disclosure Letter***" means that certain letter, dated as of the date hereof, delivered by Parent to Agent.

"***Disqualified Equity Interests***" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interest into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature or are mandatorily redeemable (other than solely for Qualified Equity Interests and cash in lieu of fractional shares), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control, fundamental change, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Notes and the termination of the Note Purchase Commitment), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests and cash in lieu of fractional shares) (except as a result of a change of control fundamental change, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Notes and the termination of the Note Purchase Commitments), in whole or in part, or (c) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Stated Maturity Date; provided that (i) if such Equity Interests are issued pursuant to a plan for the benefit of the Issuer or its Subsidiaries or their directors, officers, employees and/or consultants or by any such plan to directors, officers, employees or consultants of the Issuer or any of its Subsidiaries, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such director, officer, employee or consultant's termination, death or disability and (ii) Disqualified Equity Interests shall not include any equity derivatives permitted under Section 7.07.

"***Dollars***" means the lawful currency of the United States of America.

"***Domestic Subsidiary***" means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

"***English Security Documents***" means the following documents each in a form and substance reasonably satisfactory to Agent: (a) an English law governed debenture over all of the assets (both present and future) of Myovant England, (b) an English law governed share charge entered into by the Parent in respect to the entire issued share capital of Myovant England and (c) such other documents incidental to the foregoing as Agent may reasonably determine.

"***Equity Interests***" means, with respect to any Person, the capital stock, partnership or limited liability company interest, or other equity securities or equity ownership interests of such Person, but excluding, for the avoidance of doubt, securities offered in the Permitted Convertible Debt Financing and any other Indebtedness that is convertible into or otherwise exchangeable for, Equity Interests.

"***Equity Purchase***" has the meaning given to it in **Section 8.01**.

"***Equity Purchaser***" has the meaning given to it in **Section 8.01**.

"***Equity Purchase Price***" has the meaning given to it in **Section 8.01**.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"***Event of Default***" has the meaning given to it in **Section 9**.

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

"***Excluded Accounts***" means (i) any Deposit Account that is used solely as a payroll account for the employees of any Note Party or any of its Subsidiaries (provided that the funds in any payroll account shall not exceed 150% of the amount to be paid in the ordinary course of business in the then-next payroll cycle) or the funds in which consist solely of funds held in trust for any director, officer or employee of such Note Party or Subsidiary or any employee benefit plan maintained by such Note Party or Subsidiary or funds representing deferred compensation for the directors and employees of such Note Party or Subsidiary, (ii) escrow accounts, Deposit Accounts and trust accounts, in each case holding assets that are pledged or otherwise encumbered pursuant to clauses (vi) and (xiv) of the definition of Permitted Liens (but only to the extent required to be excluded pursuant to the underlying documents entered into in connection with such Permitted Liens in the ordinary course of business), (iii) accounts containing no (zero) balance, and (iv) prior to the lapse of any grace period set forth therein, accounts indicated as "Excluded Accounts" in **Exhibit D** to the Disclosure Letter.

"***Excluded Assets***" means (i) motor vehicles and other equipment subject to a certificate of title statute, (ii) leasehold interests in real property, (iii) any fee-owned real property with an appraised value of less than $1,000,000, (iv) assets subject to a Lien permitted by clause (vii) of the definition of Permitted Liens or purchase money debt obligations, in each case in favor of a Person other than Parent and its Subsidiaries and permitted hereunder, if the contract or other agreement in which such Lien is granted prohibits the creation of any other Lien on such assets or creates a right of termination in favor of such Person (other than to the extent that any such prohibition would be rendered ineffective pursuant to the UCC of any relevant jurisdiction or any other applicable law); (v) any governmental licenses or state or local franchises, charters and authorizations, to the extent a security interest in any such license, franchise, charter or authorization is prohibited or restricted thereby (other than to the extent that any such prohibition or restriction would be rendered ineffective pursuant to the UCC of any relevant jurisdiction or any other applicable law) (vi) nonassignable licenses or contracts, which by their terms require the consent of the licensor thereof or another party (other than to the extent that any such prohibition would be rendered ineffective pursuant to the UCC of any relevant jurisdiction or any other applicable law), (vii) any Excluded Accounts and (viii) any Excluded Equity Interests.

"***Excluded Equity Interests***" means (a) Equity Interests in entities where a Note Party holds 50% or less of the outstanding Equity Interests of such entity, to the extent a pledge of such Equity Interests is prohibited by the organizational or governing documents of such entity, or agreements with the other equity holders, of such entity, (b) Equity Interests of a Controlled Foreign Corporation with voting power in excess of 65% of the total combined voting power of all classes of Equity Interests of such Controlled Foreign Corporation entitled to vote and (c) any other Equity Interests (or any portion thereof) of a type referenced in clause (ii) of the definition of Permitted Investments to the extent held in an Excluded Account.

"***Excluded Subsidiary***" means (a) any Subsidiary that is prohibited by any applicable law or by any contractual obligation existing on the Closing Date (or, if later, the date of acquisition of such Subsidiary) (provided such contractual obligation was not entered into in contemplation thereof) from guaranteeing the Secured Obligations or any Subsidiary that would require consent, approval, license or authorization of any Governmental Authority in order to guarantee the Secured Obligations unless such consent, approval, license or authorization has been received or can be obtained by the Subsidiary through the use of commercially reasonable efforts, (b) any Controlled Foreign Corporation or any subsidiary of a Controlled Foreign Corporation, (c) any Foreign Subsidiary for which the providing of the guarantee could reasonably be expected to result in any violation or breach of, or conflict with, fiduciary duties of such Subsidiary's officers, directors or managers, (d) any Subsidiary that is not a wholly owned Subsidiary of Parent or a Guarantor and (e) any Immaterial Subsidiary.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Purchaser or Agent or required to be withheld or deducted from a payment to a Purchaser or Agent, (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 Purchaser or Agent being organized under the laws of, or having its principal office or, in the case of any Purchaser, 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 Purchaser, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Purchaser with respect to an applicable interest in a Note or Note Purchase Commitment pursuant to a law in effect on the date on which (i) such Purchaser acquires such interest in the Note (other than pursuant to an assignment under Section 2.10) or (ii) such Purchaser changes its lending office, except in each case to the extent that, pursuant to **Section 2.08**, amounts with respect to such Taxes were payable either to such Purchaser's assignor immediately before such Purchaser became a party hereto or to such Purchaser immediately before it changed its lending office, (c) Taxes attributable to such Purchaser or Agent's failure to comply with **Section 2.08(g)**, (d) any U.S. federal withholding Taxes imposed under FATCA, (e) so long as no Event of Default has occurred and is continuing and (in the case of where the tax is U.K. Withholding Tax) provided that the applicable U.K. Withholding Tax does not arise as a result of or in connection with the failure of the Issuer to achieve or maintain the listing of the Notes for the purposes of section 987 Income Tax Act 2007, any U.K. Withholding Tax imposed on amounts payable to or for the account of an assignee of a Purchaser with respect to an applicable interest in a Note or Note Purchase Commitment under **Section 11.07,** except to the extent that, pursuant to Section 2.08, additional amounts with respect to U.K. Withholding Tax were payable to the assignor immediately before the assignee acquired its interest in the relevant Notes, (f) any Taxes imposed on or with respect to any payment made on the Common Shares and (g) in the case of Irish Withholding Tax only, so long as no Event of Default has occurred and is continuing, any Irish Withholding Tax imposed on amounts payable to or for the account of an assignee of a Purchaser with respect to an applicable interest in a Note or Note Purchase Commitment under Section 11.07, except to the extent that, pursuant to Section 2.08, additional amounts with respect to Irish Withholding Tax were payable to the assignor immediately before the assignee acquired its interest in the relevant Notes.

"***FATCA***" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any law, regulation, rule, promulgation or official agreement implementing an official intergovernmental agreement between a non-U.S. jurisdiction and the United States of America with respect to the foregoing.

"***Financial Statements***" has the meaning given to it in **Section 7.01**.

"***Financial Support Direction***" means a financial support direction issued by the U.K. Pensions Regulator under section 43 of the Pensions Act 2004.

"***First Redemption Date***" has the meaning given to it in **Section 2.05(a)**.

"***Foreign Collateral***" has the meaning given to it in **Section 3.04**.

"Foreign Security Documents" means the Bermuda Security Documents, the English Security Documents, the Irish Security Documents and the Swiss Security Documents.

"***Foreign Subsidiary***" means any Subsidiary which is not a Domestic Subsidiary.

"***GAAP***" means generally accepted accounting principles in the United States of America, as in effect from time to time.

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

"***Guarantor***" has the meaning given to it in the preamble to this Agreement, including for the avoidance of doubt any entity that is required to become a Guarantor after the Closing Date pursuant to the terms of any Note Document.

"***Guaranteed Obligations***" has the meaning given to it in **Section 12.01**.

"***Hedging Agreement***" means any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement incurred by any Note Party or any of its Subsidiaries not for speculative purposes and entered into in the ordinary course of business.

"Hercules" means Hercules Capital, Inc., a Maryland corporation, as first lien agent for Agent.

"***Hero Program Indication***" means the indication listed for item 5 of Schedule 1.01(a).

"***Holder***" has the meaning given to it in **Section 8.05**.

"***IFRS***" means the international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"***Immaterial Subsidiary***" means any Subsidiary designated by Issuer as an "Immaterial Subsidiary" provided that (i) as of the most recent fiscal quarter of Parent, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to **Section 7.01**, such Subsidiary held less than five percent (5%) of Parent's consolidated total assets as of such date; provided that, if at any time the aggregate amount of total assets attributable to all Subsidiaries that are Immaterial Subsidiaries exceeds ten percent (10%) of Parent's consolidated assets as of the end of any such fiscal quarter, Issuer shall designate sufficient Subsidiaries as not being "Immaterial Subsidiaries" to eliminate such excess.

"***Indebtedness***" means, as to any Person at a particular time, indebtedness of any kind, without duplication, whether or not included as indebtedness or liabilities in accordance with GAAP or IFRS, as applicable, including (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments; (c) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business, deferred compensation and severance, pension, health and welfare retirement and equivalent benefits to current or former employees, directors or managers of such Person and its Subsidiaries); (d) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse, (e) capital leases and synthetic lease obligations; (f) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Disqualified Equity Interests (other than obligations in respect of accrued but undeclared dividends) and (g) all Contingent Obligations.

"***Indemnified Person***" has the meaning given to it in **Section 6.03**.

"***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 any Note Party under any Note Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indications***" means the Liberty Program Indication, the Spirit Program Indication and the Hero Program Indication.

"***Insolvency Event***" means, in relation to an entity that: (a) such entity shall make an assignment for the benefit of creditors; (b) such entity shall be unable to pay its debts as they become due, or be unable to pay or perform under the Note Documents, or shall become insolvent or is deemed to, or is declared to, be unable to pay its debts under any applicable law; (c) such entity shall file a voluntary petition in bankruptcy; (d) such entity shall file any petition, answer, or document seeking for itself any reorganization, arrangement, examinership, administration, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation pertinent to such circumstances (other than pursuant to a reorganization, arrangement, composition, readjustment, liquidation or dissolution of a Note Party; provided that

another Note party is the surviving entity); (e) such entity shall seek or consent to or acquiesce in the appointment of any trustee, receiver, examiner, administrator or liquidator of such entity or of all or any substantial part (i.e., 33-1/3% or more) of the assets or property of such entity; (f) such entity or its directors or majority shareholders shall take any action initiating any of the foregoing actions described in clauses (a) through (f); (g) (i) forty-five (45) days shall have expired after the commencement of an involuntary action against such entity seeking reorganization, arrangement, composition, receivership, examinership, administration, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, without such action being dismissed or all orders or proceedings thereunder affecting the operations or the business of such entity being stayed, (ii) a stay of any such order or proceedings shall thereafter be set aside and the action setting it aside shall not be timely appealed, (iii) such entity shall file any answer admitting or not contesting the material allegations of a petition filed against such entity in any such proceedings, (iv) the court in which such proceedings are pending shall enter a decree or order granting the relief sought in any such proceedings, or (v) forty-five (45) days shall have expired after the appointment, without the consent or acquiescence of such entity of any trustee, receiver, administrator, examiner or liquidator of such entity or of all or any substantial part of the properties of such entity without such appointment being vacated; (h) such entity is dissolved (other than pursuant to a consolidation, amalgamation or merger or a voluntary liquidation or dissolution of an entity other than Parent into another Note Party); (i) such entity institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official; (j) such entity has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (i) above and (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within sixty (60) days of the institution or presentation thereof; (k) such entity causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or (l) such entity takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"***Insolvency Proceeding***" is any proceeding by or against any Person under the United States Bankruptcy Code, any Insolvency Event 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 similar relief.

"***Intellectual Property***" means all of each Note Party's Copyrights; Trademarks; Patents; Licenses; trade secrets and inventions; mask works; service marks, designs, business names, data base rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered; each Note Party's applications therefor and reissues, extensions, or renewals thereof; and each Note Party's goodwill associated with any of the foregoing, together with each Note Party's rights to sue for past, present and future infringement of Intellectual Property and the goodwill associated therewith.

"***Intercreditor Agreement***" is defined in the definition of Permitted Indebtedness.

"***Inventory***" means "***inventory***" as defined in Article 9 of the UCC.

"***Investment***" means any beneficial ownership (including shares, stock, partnership or limited liability company interests) of or in any Person, or any loan, advance or capital contribution to any Person or the acquisition of all, or substantially all, of the assets of another Person.

"***Ireland***" means the Republic of Ireland and "Irish" shall be construed accordingly.

"***Irish Security Documents***" means the following documents each in a form and substance reasonably satisfactory to Agent: (a) an Irish law governed debenture over all of the assets (both present and future) of Myovant Ireland, (b) an Irish law governed share charge over the entire issued share capital of Myovant Ireland and (c) such other documents incidental to the foregoing as Agent may reasonably determine.

"***Irish Withholding Tax***" means any Taxes imposed by way of deduction or withholding pursuant to Irish law.

"***Joinder Documents***" means for each Subsidiary, a completed and executed (i) Joinder Agreement in substantially the form attached hereto as **Exhibit A**, and (ii) joinder documentation in form and substance reasonably satisfactory to Agent joining such Subsidiary as a party under the Bermuda Security Documents, English Security Documents, Irish Security Documents, Swiss Security Documents or similar security documents under the relevant jurisdictions, as applicable, with respect to Subsidiaries organized outside of the United States or any of the foregoing jurisdictions.

"***Liberty Program Indication***" means the indication listed for items 1 and 2 of Schedule 1.01(a).

"***License***" means any Copyright License, Patent License, Trademark License or other license of rights or interests.

"***Lien***" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, and any other security interest or any other agreements or arrangement having a similar effect, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, and any lease in the nature of a security interest; provided that in no event shall a license or an operating lease constitute a Lien.

"***Material Adverse Effect***" means (a) the occurrence of a Study Product Failure; or (b) a material adverse effect upon: (i) the business, operations, properties, assets or financial condition of the Note Parties and their Subsidiaries, taken as a whole; (ii) the ability of the Note Parties, taken as a whole, to perform or pay the Secured Obligations in accordance with the terms of the Note Documents, or the ability of Agent or any Purchaser to enforce any of its rights or remedies with respect to the Secured Obligations; or (iii) the Collateral or Agent's Liens on the Collateral or the priority of such Liens.

"***Maximum Amount***" has the meaning given to it in **Section 11.22(a)**.

"***Maximum Note Purchase Amount***" means Sixty Million and No/100 Dollars ($60,000,000).

"***Maximum Rate***" has the meaning given to it in **Section 2.02**.

"***Nominal Shares***" means director's qualifying shares or other shares required by applicable laws to be owned by a Person other than the Issuer and/or one or more of its Subsidiaries.

"***Note Documents***" means this Agreement, the Notes, the Account Control Agreements, the Joinder Documents, the Disclosure Letter, all UCC Financing Statements, the Pledge Agreement, the Foreign Security Documents, each Intercreditor Agreement and any other documents executed in connection with the Secured Obligations or the transactions contemplated hereby, as the same may from time to time be amended, modified, supplemented or restated.

"***Note Party***" means Issuer and each Guarantor.

"***Note Purchase Commitment***" means as to any Purchaser, the obligation of such Purchaser, if any, to purchase from Issuer Notes in a principal amount not to exceed the amount set forth under the heading "***Note Purchase Commitment***" opposite such Purchaser's name on Schedule 1.01(b).

"***Note Purchase Commitment Termination Date***" means the earlier of (a) December 31, 2018, or (b) the date on which a Study Product Failure occurs.

"***Note Purchase Shortfall Amount***" has the meaning given to it in **Section 2.01(a)**.

"***Notes***" means the notes issued hereby by Issuer and purchased by the Purchasers, in substantially the form attached hereto as **Exhibit B**.

"***NYSE***" means the New York Stock Exchange.

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

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

"***Origination Fee***" means Three Hundred Thousand Dollars ($300,000), which is payable to the Purchasers on the first Purchase Date.

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

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes ("***Transfer Taxes***") that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Note Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than to the extent that such assignment occurs as a result of or in connection with **Section 2.10** (Mitigation Obligations)). For the avoidance of doubt, "Other Taxes" shall not include (i) any Transfer Taxes arising from the transfer, or agreement to transfer, any Note whatsoever other than to the extent such transfer or agreement to transfer occurs as a result of or in connection with **Section 2.10** (Mitigation Obligations) or (ii) any Taxes imposed with respect to the Common Shares.

"***Participant***" has the meaning given to it in **Section 11.07(d)(i)**.

"***Participant Register***" has the meaning given to it in **Section 11.07(d)(ii)**.

"***Patent License***" means any written agreement granting any right with respect to any invention on which a Patent is in existence or a Patent application is pending, in which agreement any Note Party now holds or hereafter acquires any interest.

"***Patents***" means all letters patent of, or rights corresponding thereto, in the United States of America or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States of America, Bermuda, the United Kingdom, Ireland, Switzerland or any other country.

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

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

(b) if such acquisition is structured as a stock acquisition, then the Person so acquired shall either (i) become a wholly-owned Subsidiary of a Note Party or of a Subsidiary and such Note Party shall comply, or cause such Subsidiary to comply, with **Section 7.13** hereof or (ii) such Person shall be merged with and into a Note Party (with such Note Party being the surviving entity);

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

(d) Parent shall have delivered to Agent at least five (5) days prior to the date of such acquisition, notice of such acquisition together with copies of then-current drafts of all material documents relating to such acquisition, and, to the extent available, historical financial statements for such acquired entity, division or line of business, and pro forma financial information demonstrating compliance with the covenant set forth in **Section 7.16** hereof on a pro forma basis;

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

(f) immediately after such acquisition, the Note Parties' Unrestricted Cash plus commitments for additional financings is greater than an amount equal to the Note Parties' projected cash burn (including for the avoidance of doubt all costs – research, development or otherwise) for the six (6) month period ending after the end of calendar month immediately after the consummation of such acquisition (or if such acquisition is closed in multiple steps or "closings", then for each such step or "closing"), subject to calculation and documentation certified by the Chief Financial Officer of Parent and verification by the Agent in its reasonable discretion.

"***Permitted Convertible Debt Financing***" means issuance by any Note Party of senior unsecured convertible or exchangeable notes in an aggregate principal amount of not more than Two Hundred Fifty Million Dollars ($250,000,000); provided that such notes shall (a) be issued only after Issuer has requested and purchases have been made hereunder equal to at least Forty-Five Million Dollars ($45,000,000), (b) be unsecured and not be guaranteed by any Subsidiary that is not a Note Party hereunder, (c) not provide for (i) any scheduled payment or mandatory prepayment of principal or (ii) have a scheduled maturity date or any mandatory prepayments or redemptions of principal (other than customary change of control, fundamental change or asset sale repurchase obligations and cash payments in lieu of fractional shares upon the conversion or exchange thereof) at the option of the holder thereof, in each case earlier than one hundred eighty-one (181) days after the Stated Maturity Date, (d) contain usual and customary subordination terms for underwritten offerings of senior subordinated convertible notes (it being agreed that subordination terms substantially in the form of Exhibit E shall be deemed usual and customary), (e) specifically designate this Agreement and all Secured Obligations as "designated senior indebtedness" or similar term so that the subordination terms referred to in clause (d) of this definition specifically refer to such notes as being subordinated to the Secured Obligations pursuant to such subordination terms and (f) be convertible or exchangeable for ordinary shares of Parent, or cash, ordinary shares of Parent, or any combination thereof at the option of Parent.

"***Permitted Indebtedness***" means: (i) Indebtedness of any Note Party in favor of the Purchasers or Agent arising under this Agreement or any other Note Document; (ii) Indebtedness existing on the Closing Date which is disclosed in Schedule P-1 to the Disclosure Letter; (iii) Indebtedness in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000) at any time outstanding, secured by a Lien described in clause (vii) of the definition of Permitted Liens provided that such Indebtedness does not exceed the cost of the assets financed with such Indebtedness; (iv) Indebtedness to trade creditors incurred in the ordinary course of business, (v) Indebtedness incurred in the ordinary course of business with corporate credit cards; (vi) Indebtedness (including intercompany Indebtedness) that constitutes a Permitted Investment; (vii) Subordinated Indebtedness; (viii) reimbursement obligations in connection with letters of credit and cash management services (including, for the avoidance of doubt, credit cards, merchant cards, purchase cards and debit cards) and issued on behalf of Issuer or a Subsidiary thereof in an aggregate principal amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000) at any time outstanding; (ix) Indebtedness secured by a Lien described in clause (xi) of "Permitted Liens"; (x) other unsecured Indebtedness in an aggregate principal amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) at any time outstanding; (xi) Permitted Convertible Debt Financing; (xii) obligations under any Hedging Agreement; (xiii) Indebtedness under one or more credit facilities in an aggregate principal amount not to exceed Forty Million Dollars ($40,000,000) which may be secured by Liens on the Collateral senior to the Liens granted to the Agent ("***Permitted Senior Debt***"); provided that the lenders thereof or their representative or agent (as applicable, the "***Permitted Senior Debt Representative***") have executed and delivered to Agent an intercreditor agreement in form and substance reasonably satisfactory to the Agent (an "**Intercreditor Agreement**"); (xiv) Indebtedness arising from agreements providing for earn-outs, milestones, royalties, indemnification, adjustment of purchase price or similar obligations, or from guaranties or performance bonds securing the performance of Parent or any of its Subsidiaries pursuant to such agreements, in connection with Permitted Acquisitions; and (xv) extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the maturity thereof is not shortened and principal amount is not increased or the terms modified to impose materially more burdensome terms upon Issuer, the Note Parties or their Subsidiaries, as the case may be, except to the extent of any premiums or penalties, accrued and unpaid interest thereon and reasonable fees and expenses associated with such extensions, refinancing and renewals.

"***Permitted Investment***" means: (i) Investments existing on the Closing Date which are disclosed in Schedule P-2 to the Disclosure Letter and any modification, replacement, renewal or extension thereof (provided that the net investment amount is not increased); (ii) (a) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, (b) commercial paper maturing no more than one year from the date of creation thereof and currently having a rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Service, (c) certificates of deposit issued by any bank with assets of at least Five Hundred Million Dollars ($500,000,000) maturing no more than one year from the date of investment therein, (d)

money market accounts, (e) investments denominated in the currency of foreign jurisdictions with a maturity of not more than one year from the date of acquisition thereof which are substantially similar (including creditworthiness) to the items specified in clauses (a) through (d) of this clause (ii) made in the ordinary course of business, (f) securities of government sponsored entities having ratings of at least AAA by Moody's (or the then equivalent grade) or AAA by S&P (or the then equivalent grade) as of the date of acquisition and having maturities not more than one year from the date of acquisition thereof, (g) in the case of Parent or any Foreign Subsidiary, other short-term investments that are analogous to those referenced in the foregoing clauses (a) through (f), are of comparable credit quality and are customarily used by the companies in the jurisdiction of Parent or such Foreign Subsidiary for cash management purposes, and (h) other Investments described in Parent's investment policy as approved by Agent in writing (it being understood that the investment policy provided to Agent prior to the Closing Date shall be deemed approved in writing) and the Board from time to time; (iii) (a) Investments in Note Parties, (b) Investments in newly-formed Subsidiaries, provided that each such Subsidiary enters into Joinder Documents within the time periods specified in **Section 7.13** and executes such other related documents as shall be reasonably requested by Agent, (c) Investments in Subsidiaries constituting guarantees of obligations that do not constitute Indebtedness and (d) other Investments in Subsidiaries that are not Note Parties in an aggregate net amount not to exceed One Million Dollars ($1,000,000); (iv) equity derivatives and stock repurchases (including, without limitation, by means of accelerated stock repurchases and forward purchases) as permitted by **Section 7.07**, in each case provided that no Event of Default has occurred, is continuing or would exist immediately after entry into the agreement governing such derivatives or stock repurchases; (v) Investments accepted in connection with Permitted Transfers; (vi) Investments (including Indebtedness) (a) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent or doubtful obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Issuer's and its Subsidiaries' business and (b) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; (vii) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this subparagraph (vii) shall not apply to Investments of Issuer in any Subsidiary; (viii) Investments consisting of loans not involving the net transfer on a substantially contemporaneous basis of cash proceeds to employees, officers or directors relating to the purchase of shares of Parent pursuant to employee share or stock purchase plans or other similar agreements approved by the Board; (ix) Investments consisting of travel advances, relocation loans, and other loan advances (or guarantees thereof) to employees, officers and directors in the ordinary course of business; (xi) Investments consisting of Permitted Acquisitions and any Investments of any Person in existence at the time such Person becomes a Subsidiary; provided such Investment was not made in connection with or anticipation of such Person becoming a Subsidiary and any modification, replacement, renewal or extension thereof (provided that the net investment amount is not increased); (xii) Hedging Agreements permitted under clause (xii) of the definition of Permitted Indebtedness; and (xiv) additional Investments that do not exceed Two Million Five Hundred Thousand Dollars ($2,500,000) in the aggregate net outstanding amount.

"***Permitted Liens***" means any and all of the following: (i) Liens in favor of Agent or the Purchasers; (ii) Liens existing on the Closing Date which are disclosed in Schedule P-3 to the Disclosure Letter; (iii) Liens for Taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; provided that Issuer maintains adequate reserves therefor in accordance with GAAP or IFRS, as applicable (to the extent required thereby); (iv) Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like Persons arising in the ordinary course of business and imposed without action of such parties; provided that the payment thereof is not yet sixty (60) days past due; (v) Liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default hereunder; (vi) deposits to secure the performance of obligations (including by way deposits to secure letters of credit issued to secure the same) under commercial supply and/or manufacturing agreements and the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than Liens arising under ERISA or environmental Liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds; (vii) Liens on Equipment, software, other intellectual property or other assets constituting purchase money Liens and Liens in connection with capital leases securing Indebtedness permitted in clause (iii) of "Permitted Indebtedness"; (viii) Liens incurred in connection with Subordinated Indebtedness; (ix) leasehold interests in leases or subleases and licenses or sublicenses granted in the ordinary course of business and not interfering in any material respect with the business of the licensor; (x) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due; (xi) Liens on insurance proceeds securing the payment of financed insurance premiums that are promptly paid on or before the date they become due (provided that such Liens extend only to such insurance proceeds and not to any other property or assets); (xii) statutory and common law rights of set-off and other similar rights as to deposits of cash and securities in favor of banks, other depository institutions and brokerage firms; (xiii) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business so long as they do not materially impair the value or marketability of the related property; (xiv) (A) Liens on Cash securing obligations permitted under clauses (v) and/or (viii) of the definition of Permitted Indebtedness and (B) security deposits in connection with real property leases, the combination of (A) and (B) in an aggregate amount not to exceed Three Million Five Hundred Thousand Dollars ($3,500,000) at any time; (xv) other Liens in an aggregate amount not to exceed One Million Dollars ($1,000,000) at any time; provided that such liens be limited to specific assets and not all assets or substantially all assets of Issuer; (xvi) Liens on the Collateral securing Indebtedness permitted in clause (xiii) of "Permitted Indebtedness"; (xvii) Liens incurred in connection with

sales, transfers, licenses, sublicenses, leases, subleases or other dispositions of assets in the ordinary course of business and permitted by **Section 7.08** and, in connection therewith, customary rights and restrictions contained in agreements relating to such transactions pending the completion thereof or during the term thereof, and any option or other agreement to sell, transfer, license, sublicense, lease, sublease or dispose of an asset permitted by **Section 7.08**; (xviii) Liens in favor of a Note Party; and (xviii) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clauses (i) through (xvi) above; provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase, except to the extent of any premiums or penalties, accrued and unpaid interest thereon and reasonable fees and expenses associated with such extensions, refinancing and renewals.

"***Permitted Senior Debt***" is defined in the definition of Permitted Indebtedness.

"***Permitted Senior Debt Representative***" is defined in the definition of Permitted Indebtedness.

"***Permitted Transfers***" means (i) sales, transfers and other dispositions of Inventory in the ordinary course of business, (ii) (a) non-exclusive inbound and outbound licenses, sublicenses and similar arrangements for the use of Intellectual Property and related assets in the ordinary course of business and (b) other licenses and sublicenses that (1) could not result in a legal transfer of title of the licensed property and (2) if in the field of women's health, are not exclusive as to territory as to the United States, (iii) sales, transfers and other dispositions to Note Parties and sales, transfers and other dispositions expressly permitted under **Sections 7.05**, **7.06** or **7.07**, (iv) sales, transfers and other dispositions constituting arms-length transactions of worn-out, obsolete or surplus assets, (v) transfers of equipment or real property to the extent that (a) such property is exchanged for credit against the purchase price of similar replacement property or (b) the proceeds of such transfer are reasonably promptly applied to the purchase price of such replacement property, (vi) the surrender, waiver or settlement of contractual rights in the ordinary course of business, or the surrender, waiver or settlement of claims and litigation claims, whether or not in the ordinary course of business; provided that if an Event of Default shall have occurred and be continuing at the time of such surrender, waiver or settlement, "***Permitted Transfers***" shall not include any surrender, waiver or settlement of any rights and claims outside the ordinary course of business (not covered by independent third party insurance as to which liability has not been rejected by such insurance carrier) in an amount in excess of Two Million Dollars ($2,000,000), (vii) the use of Cash subject to the restrictions and limitations set forth in the Note Documents, and (viii) other transfers of assets having a fair market value of not more than One Million Dollars ($1,000,000) in the aggregate in any fiscal year.

"***Person***" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, other entity or government.

"***Pledge Agreement***" means the Pledge Agreement dated as of the Closing Date between Myovant England and Agent, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"***Pricing Supplement"*** means a pricing supplement substantially in the form of **Exhibit F,** subject to such amendment or modification as may be required by the Bermuda Stock Exchange to permit listing of the Notes thereon.

"***Principal Market***" means the NYSE and any other principal market or exchange on which the Common Shares are listed or quoted for trading.

"***Products***" means all products (including the Study Product), software, service offerings, technical data or technology currently being designed, manufactured or sold by any Note Party or which any Note Party intends to sell, license, or distribute in the future including any products or service offerings under development, collectively, together with all products, software, service offerings, technical data or technology that have been sold, licensed or distributed by any Note Party since its incorporation or formation.

"***Purchase Date***" means the issue date of any Note.

"***Purchase Request***" means a request to issue and sell Notes to the Purchasers submitted by Issuer to Agent in substantially the form of **Exhibit A** to the Disclosure Letter.

"***Purchaser***" has the meaning given to it in the preamble to this Agreement.

"***Qualified Equity Interests***" means Equity Interests that are not Disqualified Equity Interests.

"***Receivables***" means (i) all of each Note Party's Accounts, Instruments, Documents, Chattel Paper, Supporting Obligations, letters of credit, proceeds of any letter of credit, and Letter of Credit Rights, and (ii) all customer lists, software, and business records related thereto.

"***Redemption Charge***" has the meaning given to it in **Section 2.05(a)**.

"***Register***" has the meaning given to it in **Section 11.07**.

"***Regulatory Approval***" means, for the Study Product, any and all approvals (including supplements, amendments, pre- and post-approvals), licenses, registrations, or authorizations of any Governmental Authority (including any pricing and reimbursement approvals, if required prior to sale in the applicable country or group of countries) that are necessary for the marketing and sale of a pharmaceutical product in a country or group of countries.

"***Required Purchasers***" means at any time, the holders of more than 50% of the aggregate unpaid principal amount of the Notes then issued and outstanding.

"***Rights Payment***" has the meaning given to it in **Section 3.01**.

"***Roivant***" means, collectively, Roivant Sciences, Ltd. and its controlled Affiliates (excluding the Parent and its direct and indirect Subsidiaries).

"***Roivant Documents***" has the meaning given to it in **Section 5.06(b)**.

"***Sanctioned Country***" shall mean, at any time, a country or territory which is the subject or target of any Sanctions.

"***Sanctioned Person***" shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"***Sanctions***" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"***Secured Obligations***" means each Note Party's obligations under this Agreement (other than **Section 8** hereof) and any Note Document, including any obligation to pay any amount now owing or later arising.

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

"***Spirit Program Indication***" means the indication listed for items 3 and 4 of Schedule 1.01(a).

"***Stated Interest Rate***" means 15.0%.

"***Stated Maturity Date***" means October 16, 2023.

"***Study Product***" means Issuer's gonadotropin-releasing hormone receptor antagonist, commonly known as relugolix.

"***Study Product Failure***" means either (i) the early termination of each of the Clinical Studies or (ii) each of the Clinical Studies for any Indication have failed to achieve the primary endpoints identified in the protocol for such Clinical Study.

"***Subordinated Indebtedness***" means Indebtedness subordinated to the Secured Obligations in amounts and on terms and conditions satisfactory to Agent in its reasonable discretion.

"***Subsidiary***" means an entity, whether corporate, partnership, limited liability company, joint venture or otherwise, in which any Note Party owns or controls 50% or more of the outstanding voting securities, including each entity listed on Schedule 5.15 to the Disclosure Letter.

"***Swiss Guarantor***" has the meaning set forth in **Section 11.22**.

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

"***Swiss Federal Tax Administration***" means the tax authorities referred to in article 34 of the Swiss Withholding Tax Act.

"***Swiss Security Documents***" means the following documents, each in form and substance reasonably satisfactory to Agent: (a) a quota pledge agreement between Myovant England as pledgor and Hercules as pledgee, regarding the pledgor's quotas in Myovant Switzerland, (b) a bank account pledge agreement between Myovant Switzerland as pledgor and Hercules as pledgee, regarding certain of the pledgor's bank accounts, (c) a security assignment agreement between Myovant Switzerland as assignor and Hercules as assignee, regarding certain of the assignor's insurance receivables, intra-group receivables and trade receivables, and (d) such other documents incidental to the foregoing documents as Agent may reasonably determine necessary.

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

"***Swiss Withholding Tax Act***" means the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*), together with the related ordinances, regulations and guidelines, all as amended and applicable from time to time.

"***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.

"***Trademark License***" means any written agreement granting any right to use any Trademark or Trademark registration, now owned or hereafter acquired by any Note Party or in which any Note Party now holds or hereafter acquires any interest.

"***Trademarks***" means all trademarks (registered, common law or otherwise) and any applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof, Bermuda, the United Kingdom, Ireland, Switzerland or any other country or any political subdivision thereof.

"***Trading Day***" means a day on which the Principal Market open for trading.

"***UCC***" means the Uniform Commercial Code as the same is, from time to time, in effect in the State of New York; provided 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 as the same is, from time to time, in effect in a jurisdiction other than the State of New York, then the term "***UCC***" shall mean the Uniform Commercial Code as in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"***UCC Collateral***" has the meaning given to it in **Section 3.01**.

"***U.K.***" means the United Kingdom.

"***U.K. Withholding Tax***" means any Taxes imposed by way of deduction or withholding by the U.K.

"***U.K. Pensions Regulator***" means the body corporate known as the Pensions Regulator and established by Part 1 of the U.K. Pensions Act 2004.

"***Unrestricted Cash***" means, as of any date of determination (a) Cash held by a Note Party, in each case subject to an Account Control Agreement *minus* (b) the amount of the Note Parties' accounts payable under GAAP not paid after the 120th day following the invoice date for such accounts payable.

"***Upstream or Cross-Stream Secured Obligations***" has the meaning set forth in **Section 11.22(a)**.

"***VWAP***" has the meaning given to it in **Section 8.01**.

"***Withholding Agent***" means Issuer and the Agent.

Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a "Section," "subsection," "Exhibit," "Annex," or "Schedule" shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement or the Disclosure Letter, as applicable. Unless otherwise specifically provided herein, any accounting term used in this Agreement or the other Note Documents shall have the meaning customarily given such term in accordance with GAAP or IFRS, as applicable, and all financial computations hereunder shall be computed in accordance with GAAP or IFRS, as applicable, consistently applied. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the audited financial statements for fiscal year ending March 31, 2016 for all purposes of this Agreement, notwithstanding any change in GAAP or IFRS, as applicable, relating thereto, or the adoption of IFRS, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes. Unless otherwise defined herein or in the other Note Documents, terms that are used herein or in the other Note Documents and defined in the UCC shall have the meanings given to them in the UCC.

Notwithstanding anything herein to the contrary, any reference in any Note Document to "first priority security interest", "first priority Liens", "perfected security interest", "perfected Liens" or terms with the equivalent meaning shall be deemed to be followed by the phrase "(other than Permitted Liens)", and such perfection and priority shall be subject to the limitations set forth in Section 14 and to the provisions of any applicable Intercreditor Agreement.

1.02 Currency Exchange. For purposes of any determination under this Agreement measured in Dollars, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the spot rate for the purchase of Dollars for the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" or as made available by any other source reasonably acceptable to the Agent on the date of such determination; provided, however, that (a) for purposes of determining compliance with respect to the amount of any Indebtedness, Transfer, Investment, transaction permitted by **Section 7.07** or judgment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred as a result of changes in rates of exchange occurring after the time such Indebtedness is incurred, or Asset Disposition, Investment or transaction permitted by **Section 7.07** is made, or such judgment entered, and (b) notwithstanding anything herein to the contrary, nothing in this paragraph changes, modifies or alters the obligations of any Note Party to pay all amounts owed hereunder in the Dollar amount required hereunder notwithstanding any changes or other fluctuations with respect to any currency exchanged into Dollars. No default or Event of Default shall arise as a result of any limitation or threshold set forth in Dollars being exceeded solely as a result of changes in currency exchange rates.

SECTION 2 THE NOTES

2.01 Note Purchases.

(a) **Purchases**. Subject to the terms and conditions of this Agreement as supplemented by each Pricing Supplement, the Issuer will issue and each Purchaser will severally (and not jointly) purchase Notes in an aggregate principal amount not to exceed its respective Note Purchase Commitment. Issuer agrees to issue and sell to the Purchasers, and the Purchasers agree to purchase, Six Million Dollars ($6,000,000) aggregate principal amount of Notes on a date that is fifteen (15) Business Days after the Closing Date. The aggregate outstanding principal amount of Notes may be up to the Maximum Note Purchase Amount; provided that, on or prior to the Note Purchase Commitment Termination Date, Issuer shall have issued and the Purchasers shall have purchased an additional aggregate principal amount of Notes equal to at least Twenty-Four Million Dollars $24,000,000. If Issuer has not requested that the Purchasers purchase Notes in an aggregate principal amount of at least Thirty Million Dollars ($30,000,000) on or before sixteen (16) Business Days prior to the Note Purchase Commitment Termination Date, Issuer shall be obliged to issue and be deemed to have requested that the Purchasers purchase Notes effective sixteen (16) Business Days prior to the Note Purchase Commitment Termination Date in an aggregate principal amount equal to the difference between Thirty Million Dollars ($30,000,000) and the sum of all the principal amount of all previously issued Notes as of such date (the "***Note Purchase Shortfall Amount***"), and the Purchasers shall purchase Notes in an aggregate principal amount equal to the Note Purchase Shortfall Amount one (1) Business Day prior to the Note Purchase Commitment Termination Date, provided, however, if a Material Adverse Effect or Study Product Failure has occurred or is reasonably likely to occur, the Purchasers shall not be required to purchase any such Notes or make any Equity Purchase pursuant to **Section 8.01**.

(b) **Purchase Request**. To request a Purchase, prior to the Note Purchase Commitment Termination Date, Issuer shall complete, sign and deliver a Purchase Request at least fifteen (15) Business Days before the requested Purchase Date to Agent. Each Purchaser shall purchase Notes in the manner requested by the Purchase Request; provided that (i) each of the conditions precedent to the issuance and sale of such Notes is satisfied as of the requested Purchase Date; and (ii) no Purchase Request shall be delivered and no Note shall be issued for a nominal principal amount of less than $1,000,000.

(c) **Stated Interest Rate**. The principal balance shall bear interest thereon from such Purchase Date in an amount equal to the product of the outstanding Notes' principal balance multiplied by the Stated Interest Rate based on a year consisting of 360 days, with interest computed daily based on the actual number of days elapsed.

(d) **Payment**. Issuer will pay 1/3 of the accrued but unpaid interest (i.e., 5% of the 15%) on each Note on the first Business Day of each calendar quarter, beginning the quarter after the applicable Purchase Date (such interest, the "***Current Pay Interest***"). Issuer will pay the remaining accrued but unpaid interest (i.e., 10% of the 15%) on each Note on a deferred basis with such remaining interest due and payable by Issuer in cash upon the earlier of (i) the Amortization Date, and (ii) the repayment in full (whether upon voluntary or mandatory repayment or upon acceleration after an Event of Default). For the avoidance of doubt, accrued but unpaid interest shall not compound or otherwise be added to the outstanding principal balance of the Notes.

(e) Issuer shall repay the aggregate principal balance of the Notes that is outstanding on the day immediately preceding the Amortization Date in equal quarterly installments of principal and Current Pay Interest beginning on the Amortization Date and continuing on the first Business Day of each quarter thereafter until the Notes are repaid. Any remaining outstanding principal balance of the Notes, together with any and all accrued but unpaid interest hereunder, shall be due and payable on the Stated Maturity Date. Subject to **Section 2.08**, Issuer shall make all payments under this Agreement without setoff, recoupment or deduction and regardless of any counterclaim or defense.

(f) Notwithstanding anything to the contrary herein, to the extent that the Notes have not been listed and admitted to trading on the BSX (or another recognized stock exchange within the meaning of Section 1005 Income Tax Act 2007) prior to the first scheduled interest payment date, the payment of any amount of interest which would have been due and payable on such date shall be deferred until the next Business Day after the earlier of the date that:

(i) such Notes have been listed and admitted to trading on such stock exchange; and

(ii) the Issuer has received confirmation in writing from such stock exchange that such stock exchange will not grant permission for the Notes to be listed or admitted to trading on such exchange; and

(iii) the second scheduled interest payment date.

2.02 Maximum Interest. Notwithstanding any provision in this Agreement or any other Note Document, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of New York shall be deemed to be the laws relating to permissible rates of interest on commercial loans) (the "***Maximum Rate***"). If a court of competent jurisdiction shall finally determine that Issuer has actually paid to a Purchaser an amount of interest in excess of the amount that would have been payable if all of the Secured Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Issuer shall be applied as follows: first, to the payment of the Secured Obligations consisting of the outstanding principal; second, after all principal is repaid, to the payment of the Purchasers' accrued interest, costs, expenses, professional fees and any other Secured Obligations; and third, after all Secured Obligations are repaid, the excess (if any) shall be refunded to Issuer.

2.03 Default Interest. In the event any payment is not paid on the scheduled payment date, an amount equal to five percent (5%) of the past due amount shall be payable on demand. In addition, upon the occurrence and during the continuation of an Event of Default hereunder, all Secured Obligations, including principal, interest, compounded interest, and professional fees shall bear interest at a rate per annum equal to the rate set forth in **Section 2.01(c)** plus five percent (5%) per annum. In the event any interest is not paid when due hereunder, delinquent interest shall be added to principal and shall bear interest on interest, compounded at the rate set forth in **Section 2.01(c)** or **Section 2.03**, as applicable.

2.04 [Reserved].

2.05 Redemption; Termination.

(a) From and after October 16, 2019 (the "***First Redemption Date***"), at its sole option upon at least seven (7) Business Days (or such shorter period as agreed by Agent in writing) prior notice to Agent, Issuer may redeem all or any portion greater than or equal to Five Million Dollars ($5,000,000) of the outstanding Notes by paying the entire principal balance (or such portion thereof), all accrued and unpaid interest with respect to the principal balance being redeemed, plus all fees and other amounts owing under the Note Documents at such time, together with a redemption charge equal to the following percentage of the principal amount of the Notes being redeemed: if such Notes are redeemed in any of the first twelve (12) months following the First Redemption Date, 4.00%; after twelve (12) months but on or prior to twenty four (24) months following the First Redemption Date, 2.50%; and thereafter, 1.00% (each, a "***Redemption Charge***"). All redemptions proceeds shall be applied to such Notes then issued and outstanding as the Purchasers may in their discretion elect.

(b) Issuer agrees that the Redemption Charge is a reasonable calculation of the Purchasers' lost profits in view of the difficulties and impracticality of determining actual damages resulting from an early redemption of the Notes.

(c) Upon the occurrence of a Change in Control (i) prior to the First Redemption Date, Issuer may, or the Required Purchasers may require Issuer to, redeem the outstanding amount of all principal and accrued interest of all Notes plus all other fees and amounts owing under the Note Documents through the date of the occurrence of such Change in Control, including a redemption charge equal to 5.00% of the principal amount of the Notes then outstanding, or (ii) from and after the First Redemption Date, Issuer may, or the Required Purchasers may require Issuer to, redeem the outstanding amount of all principal and accrued interest of all Notes plus all other fees and amounts owing under the Note Documents through the redemption date and the applicable Redemption Charge.

(d) Notwithstanding the foregoing, Agent and the Required Purchasers agree to waive the Redemption Charge if Agent and the Required Purchasers or any affiliate of Agent or the Required Purchasers (each in its sole discretion) agree in writing to refinance the Notes prior to the Maturity Date.

(e) In connection with any redemption of all outstanding Notes or if otherwise no Notes are outstanding, Issuer may terminate this Agreement by written notice to Agent and the Purchasers, whereupon the Note Purchase Commitments shall terminate.

2.06 **Notes**. On the Closing Date and on each subsequent issuance of Notes pursuant to a Purchase Request, Issuer shall execute and deliver to each Purchaser (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Purchaser pursuant to **Section 11.14**) (promptly after the Issuer's receipt of such notice) a Note or Notes registered in the name of the relevant Purchaser and/or their assignee. The terms of this Agreement shall be incorporated by reference into the Notes as if set forth therein and, in the event of any conflict between the terms of this Agreement and the Notes, the terms of this Agreement shall control.

2.07 **Pro Rata Treatment**. Each payment (including redemption) on account of any fee and any reduction of the Notes shall be made pro rata according to the Note Purchase Commitments of the relevant Purchaser.

2.08 **Taxes**.

(a) Defined Terms. For purposes of this **Section 2.08**, the term "applicable law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Note Party under any Note Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. 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 be entitled to make such deduction or withholding in the minimum amount required by law 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 the applicable Note Party 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) each Purchaser or Agent, as applicable, receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Note Parties. The Note Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent, timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Note Parties. The Note Parties shall jointly and severally indemnify each Purchaser or Agent, as applicable, within ten (10) 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) payable or paid by such Purchaser or Agent, as applicable, or required to be withheld or deducted from a payment to such Purchaser or Agent, as applicable, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Issuer by a Purchaser (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Purchaser, shall be conclusive absent manifest error.

(e) Indemnification by the Purchasers. Each Purchaser shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Purchaser (but only to the extent that any Note Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Note Parties to do so) and (ii) any Excluded Taxes attributable to such Purchaser, in each case, that are payable or paid by the Agent in connection with any Note Document, 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 Purchaser by the Agent shall be conclusive absent manifest error. Each Purchaser hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Purchaser under any Note Document or otherwise payable by the Agent to the Purchaser from any other source against any amount due to the Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by any Note Party to a Governmental Authority pursuant to this **Section 2.08**, such Note Party shall deliver to the 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 the Agent.

(g) Status of Purchasers.

(i) Any Purchaser that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Note Document shall deliver to Issuer and the Agent, at the time or times reasonably requested by Issuer or the Agent (or, with respect to U.K. Withholding Taxes, deliver to Issuer and the Agent or submit to the appropriate Governmental Authority within twenty (20) days after a written request by the Issuer or the Agent), such properly completed and executed documentation reasonably requested by Issuer or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding (to the extent legally possible). In addition, any Purchaser, if requested by the Issuer or the Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Issuer or the Agent as will enable the Issuer or the Agent to determine whether or not such Purchaser is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than the documentation described in **Section 2.08(g)(iii)** below) shall not be required if in the Purchasers' reasonable judgment such completion, execution or submission would subject such Purchaser to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Purchaser. Upon the reasonable request of the Issuer or the Agent, any Purchaser shall update any form or certification previously delivered pursuant to this **Section 2.08(g)**. If any form or certification previously delivered pursuant to this **Section 2.08(g)** expires or becomes obsolete or inaccurate in any respect with respect to a Purchaser, such Purchaser shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify the Issuer and the Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Notwithstanding anything to the contrary herein, a Purchaser shall be deemed to have satisfied the requirements of **Section 2.08(g)** if no U.K. Withholding Tax is required to be withheld or deducted under a payment made under a Note Document due to the application of the quoted Eurobond exemption in Section 882 Income Tax 2007. For the avoidance of doubt and notwithstanding anything to the contrary herein, none of the Purchasers as at the date of this Agreement shall be required to comply with **Section 2.08(g)** for the purposes of U.K. Withholding Tax prior to the application of the aforementioned quoted Eurobond exemption so far as the Issuer is applying to list the Notes on the BSX (or another recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007).

(iii) If a payment made to a Purchaser under any Note Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Purchaser were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Purchaser shall deliver to Issuer and Agent at the time or times prescribed by law and at such time or times reasonably requested by Issuer or Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Issuer or Agent as may be necessary for Issuer and Agent to comply with their obligations under FATCA and to determine that such Purchaser has complied with such Purchaser's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Each Purchaser agrees that if it becomes aware that any form or certification it previously delivered has expired or become obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Issuer and Agent in writing of its legal inability to do so.

(iv) To the extent that interest payable by the Issuer (or any intra-group loans) becomes subject to Swiss Withholding Tax, each relevant Purchaser and the Issuer shall reasonably co-operate in completing any procedural formalities (including submitting forms and documents required by the appropriate Governmental Authority) to the extent possible and necessary for the Issuer to obtain authorization (i) to make interest payments without them being subject to the Swiss Withholding Tax or (ii) to being subject to Swiss Withholding Tax at a rate reduced under any applicable double taxation treaty.

(h) Treatment of Certain Refunds. 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 2.08** (including by the payment of additional amounts pursuant to this **Section 2.08**), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this 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.

(i) [Reserved.]

(j) Increased Costs. If any Change in Law shall subject any Purchaser or the Agent to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (g) of the definition of Excluded Taxes and (iii) Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes) on its Notes, Note Purchase Commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, and the result of any of the foregoing shall be to increase the cost to such Purchaser or the Agent of making, converting to, continuing or maintaining any Note or of maintaining its obligation to make any such Note, or to reduce the amount of any sum received or receivable by such Purchaser or the Agent hereunder (whether of principal, interest or any other amount) then, upon request of such Purchaser or the Agent, Issuer will pay to such Purchaser or Agent, as the case may be, such additional amount or amounts as will compensate such Purchaser or Agent, as the case may be, for such additional costs incurred or reduction suffered.

(k) Survival. Each party's obligations under this **Section 2.08** shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Purchaser, the termination of the Note Purchase Commitment and the repayment, satisfaction or discharge of all obligations under any Note Document.

(l) Irish Guarantee payments by Myovant Ireland. Notwithstanding anything to the contrary in this Agreement, if any payment by or on behalf of Myovant Ireland pursuant to **Section 12** is subject to Irish Withholding Taxes, then:

(i) such payment shall be increased as necessary so that after such deduction or withholding has been made, the Purchaser or Agent, as applicable, receives an amount equal to the sum it would have received had no such deduction or withholding been made; and

(ii) a Purchaser entitled to receipt of such payment shall co-operate with Myovant Ireland in complying with Section 2.08(g) and Section 2.08(h) but only to the extent that: it is legally possible for it to claim the relevant exemption or reduction from Irish Withholding Taxes and comply with the provisions contained in those Sections; and provided that such co-operation and compliance is at Myovant Ireland's sole cost and expense.

2.09 Fees.

(a) **Administration Fee**. Issuer agrees to pay to the Agent, for its own account, the Administration Fee. The first Administration Fee will be due on the first Purchase Date hereunder and thereafter on each subsequent anniversary of such date.

(b) **Origination Fee**. Issuer agrees to pay to the Agent, for its own account, the Origination Fee. The Origination Fee will be due on the first Purchase Date hereunder.

(c) All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the Agent.

2.10 Mitigation Obligations. (a) If any Purchaser requests compensation under Section 2.08(j) or if any Issuer or Guarantor is required to pay any additional amount to any Purchaser or any Governmental Authority for the account of any Purchaser pursuant to Section 2.08, then such Purchaser shall, in consultation with the Issuer, use reasonable efforts to designate a different lending office for funding or booking its Notes hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Purchaser, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.08 in the future and (ii) would not subject such Purchaser to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Purchaser. The Issuer hereby agrees to pay all costs and expenses reasonably incurred by any Purchaser in connection with any such designation or assignment.

(b) If (i) any Purchaser requests compensation under Section 2.08(j) or (ii) the Issuer is required to pay any additional amount to any Purchaser or any Governmental Authority for the account of any Purchaser pursuant to Section 2.08, provided that no Event of Default shall have occurred and be continuing, then the Issuer may, at its sole expense and effort, upon notice to such Purchaser and the Agent, require such Purchaser to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.07), all its interests, rights and obligations under the Note Documents to an assignee that shall assume such obligations (which assignee may be another Purchaser, if a Purchaser accepts such assignment); provided that (i) the Issuer shall have received the prior written consent of the Agent, which consent shall not unreasonably be withheld, (ii) such Purchaser shall have received payment of an amount equal to the outstanding principal of its Notes, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Issuer, which shall be payable and calculated as if the Issuer were making a redemption to such assigning Purchaser), (iii) in the case of any such assignment resulting from a claim for compensation or payments required to be made under Section 2.08(j), such assignment will result in a reduction in such compensation or payments and (iv) such assignment does not conflict with applicable law. A Purchaser shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Purchaser or otherwise, the circumstances entitling the Issuer to require such assignment and delegation cease to apply.

(c) If (i) any Purchaser requests compensation under Section 2.08(j) or (ii) the Issuer is required to pay any additional amount to any Purchaser or any Governmental Authority for the account of any Purchaser pursuant to Section 2.08, then the Issuer and the Agent, in consultation with the Purchasers, hereby agree to permit, at the Issuer's sole expense, the transfer of the Secured Obligations (including the Notes) from the Issuer to another Note Party or to use commercially reasonable efforts to restructure the Note Purchases (which may include a redemption without penalty or premium coupled with a concurrent refinancing of the Purchases through another Note Party) in a manner that (i) would eliminate or reduce amounts payable pursuant to **Section 2.08** and (ii) would not subject any Purchaser to any material unreimbursed cost or expense that would otherwise be materially disadvantageous to any Purchaser.

(d) **Section 2.10** does not in any way limit the obligation of any Note Party under the Note Documents.

2.11 **CUSIP Numbers**. The Issuer in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Agent shall use "CUSIP" numbers in all notices issued to the Purchasers as a convenience to the Purchasers; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or on such notice and that reliance may be placed only on the other identification numbers printed on the Notes. The Issuer shall promptly notify the Agent in writing of any change in the "CUSIP" numbers.

SECTION 3 SECURITY INTEREST

3.01 As security for the prompt and complete payment when due (whether on the payment dates or otherwise) of all the Secured Obligations (including the Notes), each Note Party grants to Agent a security interest in all of such Note Party's right, title, and interest in and to the following personal property whether now owned or hereafter acquired (collectively, the "***UCC Collateral***"): (a) Receivables; (b) Equipment; (c) Fixtures; (d) General Intangibles (other than Intellectual Property); (e) Inventory; (f) Investment Property; (g) Deposit Accounts; (h) Cash; (i) Goods; and (j) all other tangible and intangible personal property (other than Intellectual Property) of such Note Party whether now or hereafter owned or existing, leased, consigned by or to, or acquired by, such Note Party and wherever located, and any of such Note Party's property in the possession or under the control of Agent; and, to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing; provided, however, that the UCC Collateral shall include all Accounts and General Intangibles that consist of rights to payment and proceeds from the sale, licensing or disposition of all or any part, or rights in, the Intellectual Property (the "***Rights to Payment***"). Notwithstanding the foregoing, if a judicial authority (including a U.S. Bankruptcy Court) holds that a security interest in the underlying Intellectual Property is necessary to have a security interest in the Rights to Payment, then the UCC Collateral shall automatically, and effective as of the date of this Agreement, include the Intellectual Property to the extent necessary to permit perfection of Agent's security interest in the Rights to Payment.

3.02 Notwithstanding the broad grant of the security interest set forth in **Section 3.01**, above, the UCC Collateral shall not include any Excluded Assets.

3.03 If this Agreement is terminated in accordance with its terms, Agent's Lien in the Collateral shall continue until the Secured Obligations (other than inchoate indemnity obligations) are paid in full in accordance with the terms of this Agreement. At such time, the Collateral shall be released from the Liens created hereby, this Agreement and all obligations (other than those expressly stated to survive such termination) of the Agent, the Purchasers and each Note Party hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall automatically revert to the Note Parties. In addition, in connection with any Permitted Transfer of Collateral, the Agent hereby agrees to release such Liens and to deliver such instruments and perform such acts as are necessary to effect such release at the request and expense of any Note Party. Furthermore, at the request of any Note Party, the Agent shall enter into (i) customary non-disturbance or similar agreements in connection with the licensing of Intellectual Property permitted pursuant to the terms of this Agreement and (ii) intercreditor agreements with respect to Indebtedness of a Note Party permitted under clause (xiii) of the definition of "Permitted Indebtedness" providing for the Liens of the Agent to be subordinated to such Indebtedness on terms customary for second-lien financings. Agent shall execute such documents, return any Collateral held by Agent hereunder and take such other steps as are reasonably necessary to accomplish the foregoing, all at the Note Parties' sole cost and expense.

3.04 Parent, Myovant England, Myovant Ireland and Myovant Switzerland have entered into the Bermuda Security Documents, English Security Documents, Irish Security Documents and/or Swiss Security Documents in each case pursuant to which they have granted security interests in, to and under the collateral described therein (such collateral, collectively, the "***Foreign Collateral***", and with the UCC Collateral, collectively, the "***Collateral***") in favor of Agent for the benefit of the Purchasers.

SECTION 4 CONDITIONS PRECEDENT TO NOTE PURCHASES

The obligations of Purchasers to purchase the Notes hereunder are subject to the satisfaction by Issuer of the following conditions:

4.01 **Closing Date**. On or prior to the Closing Date, Issuer shall have delivered to Agent the following (other than as provided in Schedule 4.04 to the Disclosure Letter):

(a) executed copies of the Note Documents, a legal opinion of each of Note Party's Bermudian, Swiss, and United States counsel and a legal opinion of Agent's English and Irish counsel, and all other documents and instruments reasonably required by Agent to effectuate the transactions contemplated hereby or to create and perfect the Liens of Agent with respect to all Collateral, in all cases in form and substance reasonably acceptable to Agent;

(b) certified copy of resolutions of each of the Note Parties' respective boards of directors (and shareholder, with respect to Myovant England and Myovant Ireland) evidencing (i) approval of (A) the Note and other transactions evidenced by the Note Documents and (B) with respect to Parent, the Equity Purchase and transactions evidenced thereby; (ii) authorizing a specified person or persons to execute the Note Documents to which it is a party on its behalf and (iii) authorizing a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices (including, if relevant, any Purchase Request or other relevant notice) to be signed and/or dispatched by it under or in connection with the Note Documents to which it is a party;

(c) certificates (as customary in the jurisdiction of Myovant England and Myovant Ireland and containing specimen signatures) of a director confirming that guaranteeing or securing the Notes would not cause any guaranteeing or similar limit binding on Myovant England or Myovant Ireland to be exceeded and certifying that each copy document relating to it specified in this **Section 4**, is correct, complete and the original of such copy document, is in full force and effect and has not been amended or superseded as at a date no earlier than the Closing Date;

(d) with respect to Myovant England, whose shares are the subject of the English Security Documents, either:

(i) a certificate of an authorized signatory of the Parent certifying that:

1. the Parent has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from Myovant England; and

2. no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares,

together with a copy of the "**PSC register**" (within the meaning of section 790C(10) of the Companies Act 2006) of Myovant England, which is certified by an authorized signatory of the Parent to be correct, complete and not amended or superseded as at a date no earlier than the date of this Agreement; or

(ii) a certificate of an authorized signatory of the Parent certifying that Myovant England is not required to comply with Part 21A of the Companies Act 2006.

(e) certified copies of the constitutional documents and the bylaws (or local law equivalent thereof), as amended through the Closing Date, of each Note Party;

(f) (if applicable) a certificate of good standing or compliance (or insolvency search) for each Note Party from its jurisdiction of organization and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified would have a Material Adverse Effect;

(g) a Purchase Request for the purchase of Notes in an aggregate principal amount of at least Six Million Dollars ($6,000,000) pursuant to **Section 2.01(b)**, duly executed by Issuer's Chief Executive Officer, Chief Financial Officer or any other duly authorized officer or director;

(h) the Note Parties shall have paid all fees and expenses due and payable to the Agent hereunder on the Closing Date, including any such fees set forth in **Section 2.09**;

(i) all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Note Party in blank in relation to the assets subject to or expressed to be subject to a Lien and other documents of title to be provided under the Note Documents;

(j) documentation to the satisfaction of Agent's advisors that the Note Documents and the transactions contemplated thereby do not breach sections 678 or 679 of the Companies Act 2006, sections 82 or 239 of the Companies Act, 2014 of Ireland or any equivalent legislation in other jurisdictions; and

(k) such other documents as Agent may reasonably request.

4.02 All Purchases. On or prior to each Purchase Date:

(a) Agent shall have received an Purchase Request for the relevant Notes as required by **Section 2.01(b)**, each duly executed by Issuer's Chief Executive Officer, Chief Financial Officer or any other duly authorized officer or director;

(b) the representations and warranties set forth in this Agreement, including those set forth in **Exhibit D** hereto, shall be true and correct in all material respects on and as of the Purchase Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date;

(c) the Note Parties shall be in compliance with all the terms and provisions set forth herein and in each other Note Document on its part to be observed or performed, and at the time of and immediately after such purchase no Event of Default shall have occurred and be continuing;

(d) except for any Purchases occurring on the initial Purchase Date, Issuer shall (i) on the date of the relevant Purchase Request, have applied for the listing of the Notes to be issued on the Bermuda Stock Exchange (the "***BSX***") by the submission of a Pricing Supplement to the BSX; and (ii) have ensured that all information disclosed in any prospectus filed with the BSX for the purpose of listing the Notes remains accurate, up to date and, when read together with any relevant Pricing Supplement, provides the Purchaser with the full terms and conditions of the relevant Notes; provided that Issuer may waive the condition set forth in this **Section 4.02(d)** on or prior to any Purchase Date; and

(e) Each Purchase Request shall be deemed to constitute a representation and warranty by Issuer on the relevant Purchase Date as to the matters specified in paragraphs (b), (c) and (d) of this **Section 4.02** and as to the matters set forth in the Purchase Request.

4.03 No Default. As of the Closing Date and each Purchase Date, (i) no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default, (ii) no event that has had or would reasonably be expected to have a Material Adverse Effect has occurred and is continuing, (iii) no Governmental Authority shall have imposed or communicated its intent to impose, a suspension or clinical hold on all of the Clinical Studies, and (iv) the Note Parties shall not have suspended, or have an intention to suspend, all of the Clinical Studies.

4.04 Post-Closing Deliverables. Each Note Party agrees to deliver all items as set forth under Schedule 4.04 to the Disclosure Letter.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF THE NOTE PARTIES

Each Note Party represents and warrants that:

5.01 Corporate Status. Each Note Party is duly incorporated and/or organized, legally existing and in good standing under the laws of its jurisdiction of incorporation or organization, as applicable, and is duly qualified as a foreign corporation or other entity, as applicable, in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified would reasonably be expected to have a Material Adverse Effect. Each Note Party's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in **Exhibit B** to the Disclosure Letter, as may be updated by the Note Parties in a written notice (including any Compliance Certificate) provided to Agent after the Closing Date.

5.02 Collateral. Each Note Party has good and valid rights in or power to transfer the Collateral owned by it and title to the Collateral with which it has purported to grant a security interest hereunder, free of all Liens, except for Permitted Liens. Each Note Party has the power and authority to grant to Agent a Lien in the Collateral as security for the Secured Obligations.

5.03 **Consents**. Each Note Party's execution, delivery and performance of this Agreement and all other Note Documents, and Parent's consummation of the Equity Purchase, (i) have been duly authorized by all necessary corporate action of such Note Party, (ii) will not result in the creation or imposition of any Lien upon the Collateral, other than Permitted Liens and the Liens created by this Agreement and the other Note Documents, (iii) do not violate any provisions of such Note Party's constitutional documents, or other organizational or governing documents (as applicable), bylaws, or any law, regulation, order, injunction, judgment, decree or writ to which such Note Party is subject and (iv) except as described on Schedule 5.03 to the Disclosure Letter, do not violate any material contract or material agreement or require the consent or approval of any other Person which has not already been obtained. The individual or individuals executing the Note Documents are duly authorized to do so.

5.04 **Material Adverse Effect**. No event that has had or would reasonably be expected to have a Material Adverse Effect has occurred and is continuing. No Note Party is aware of any event likely to occur that is reasonably expected to result in a Material Adverse Effect.

5.05 **Actions Before Governmental Authorities**. There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of any Note Party, threatened in writing against any Note Party or its property, that is reasonably expected to result in a Material Adverse Effect.

5.06 **Compliance with Laws; Affiliate Transactions**.

(a) No Note Party nor any of its Subsidiaries is in violation in any material respect of any law, rule or regulation, or in default in any material respect with respect to any judgment, writ, injunction or decree of any Governmental Authority.

(b) Schedule 5.06(b) to the Disclosure Letter is a true, complete and correct (as of the Closing Date) list of all material agreements and contracts between any Note Party (or any of its Subsidiaries) and Roivant (the "***Roivant Documents***"). No Note Party is in default in any material manner under any provision of any agreement or instrument evidencing material Indebtedness, or any other material agreement to which it is a party or by which it is bound, including the Roivant Documents, and, to the knowledge of any Note Party with respect to any Person other than any Note Party or its Subsidiaries, no event of default or event that with the passage of time would result in an event of default exists under any agreement or instrument evidencing material Indebtedness.

(c) No Note Party, any of its Subsidiaries, or to any Note Party's knowledge any of its or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) is a Blocked Person. No Note Party, nor any of its Subsidiaries, or to the knowledge of any Note Party, any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (B) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law. None of the funds to be provided under this Agreement will be used, directly or indirectly, (1) for any activities in violation of any applicable anti-money laundering, economic sanctions and anti-bribery laws and regulations laws and regulations, including the Anti-Bribery Laws, or (2) for any payment to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(d) Except as set forth on Schedule 5.06(d) to the Disclosure Letter, each Note Party implemented and maintains in effect policies and procedures to the extent necessary to ensure compliance by each Note Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Parent, its Subsidiaries and their respective officers and employees and to the knowledge of Parent, its Subsidiaries and their respective directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects.

(e) No Note Party nor any of its Subsidiaries or any of their respective directors, officers or employees, is a Sanctioned Person. No Note, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

(f) No Note Party's nor any of its Subsidiaries' properties or assets has been used by such Note Party or such Subsidiary or, to any Note Party's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws.

(g) Each Note Party and each of its Subsidiaries has obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.07 **Investment Company Act**. No Note Party nor any of its Subsidiaries is required to register as an "***investment company***" or a company "***controlled***" by an "***investment company***" under the Investment Company Act of 1940, as amended. No Note Party nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). No Note Party nor any of its Subsidiaries is a "***holding company***" or an "***affiliate***" of a "***holding company***" or a "***subsidiary company***" of a "***holding company***" as each term is defined and used in the Public Utility Holding Company Act of 2005.

5.08 **Information Correct and Current**. No written information, report, Purchase Request, financial statement, exhibit or schedule furnished, by or on behalf of any Note Party to Agent in connection with any Note Document or included therein or delivered pursuant thereto contained, or, when taken as a whole, contains or will contain any material misstatement of fact or, when taken together with all other such written information or documents, omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not materially misleading at the time such statement was made or deemed made. Additionally, any and all financial or business projections provided by the Note Parties to Agent, whether prior to or after the Closing Date, shall be (i) provided in good faith and based on the most current data and information available to the Note Parties at the time prepared and (ii) the most current of such projections provided to the Board (it being understood that such projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Note Parties, that no assurance is given that any particular projections will be realized, that actual results may differ).

5.09 **Tax Matters**.

(a) Except as described on Schedule 5.09 to the Disclosure Letter and except those being contested in good faith with adequate reserves under GAAP or IFRS, as applicable, (a) each Note Party has filed all material federal, state and local tax returns that it is required to file (giving effect to all available extensions), (b) each Note Party has duly paid or fully reserved for all material taxes or installments thereof (including any interest or penalties) as and when due, or which have or may become due pursuant to such returns, and (c) each Note Party has paid or fully reserved for any material tax assessment received by it which remains unpaid, if any (including any taxes being contested in good faith and by appropriate proceedings).

(b) The Issuer is not a tax resident in Switzerland within the meaning Article 9(1) of the Swiss Withholding Tax Act.

(c) There is no stamp duty or similar taxes payable on the issue or transfer of the Notes and Common Shares under current United Kingdom tax law provided that neither an instrument of transfer in respect of such Notes and/or Common Shares is executed in the United Kingdom by any person (other than the Issuer) nor is the instrument of transfer in respect of such Notes and/or Common Shares brought into the United Kingdom by any person (other than the Issuer).

5.10 **Intellectual Property Claims**. Except as described on Schedule 5.10 to the Disclosure Letter, (a) each of the material Copyrights, Trademarks and Patents is valid and enforceable and (b) no material part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part. **Exhibit C** to the Disclosure Letter is a true, correct and complete list of each of the Note Parties' Patents, registered Trademarks, registered Copyrights, and material agreements under which a Note Party licenses Intellectual Property from third parties (other than shrink-wrap software licenses), together with application or registration numbers, as applicable, owned by a Note Party, in each case as relates to the Study Product as of the Closing Date. The Note Parties are not in material breach of, nor have the Note Parties failed to perform any material obligations under, any of the foregoing contracts, licenses or agreements and, except as disclosed to the Purchasers, to the Note Parties' knowledge, no third party to any such contract, license or agreement is in material breach thereof or has failed to perform any material obligations thereunder.

5.11 **Intellectual Property**. Except as described on Schedule 5.11 to the Disclosure Letter the Note Parties have all material rights with respect to Intellectual Property necessary or material in the operation or conduct of the Note Parties' business as currently conducted and proposed to be conducted by Note Parties. Without limiting the generality of the foregoing, and in the case of Licenses, except for restrictions that are unenforceable under Article 9 of the UCC or other applicable law, the Note Parties have the right, to the extent required to operate their business, to freely transfer, license or assign Intellectual Property necessary or material in the operation or conduct of their business as currently conducted and proposed to be conducted by them, without condition, restriction or payment of any kind (other than license payments in the ordinary course of business) to any third party.

5.12 **Products**. Except as described on Schedule 5.12 to the Disclosure Letter, no material Intellectual Property owned by any Note Party or Issuer Product has been or is subject to any actual or, to the knowledge of the Note Parties, threatened in writing litigation, proceeding (including any proceeding in the United States Patent and Trademark Office or any corresponding foreign office or agency) or outstanding decree, order, judgment, settlement agreement or stipulation that restricts in any material manner such Note Party's use, transfer or licensing thereof or that may affect the validity, use or enforceability thereof. There is no decree, order, judgment, agreement, stipulation, arbitral award or other provision entered into in connection with any litigation or proceeding that obligates any Note Party to grant licenses or ownership interest in any future Intellectual Property related to the operation or conduct of the business of the Note Parties or Products, except where such decree, order, judgment, agreement, stipulation or award would not reasonably be expected to have a Material Adverse Effect. No Note Party has received any written notice or claim, or, to the knowledge of the Note Parties, oral notice or claim, challenging or questioning their ownership in any Intellectual Property (or written notice of any claim challenging or questioning the ownership in any licensed Intellectual Property of the owner thereof) or suggesting that any third party has any claim of legal or beneficial ownership with respect thereto nor, to the Note Parties' knowledge, is there a reasonable basis for any such claim in each case to where such notice or claim would reasonably be expected to have a Material Adverse Effect. To Note Parties' knowledge, no Note Party's use of its Intellectual Property or the production and sale of Products infringes the valid Intellectual Property or other rights of others in any material respect.

5.13 **Financial Accounts**. **Exhibit D** to the Disclosure Letter, as may be updated by Note Parties in a written notice provided to Agent after the Closing Date, is a true, correct and complete list of (a) all banks and other financial institutions at which any Note Party or any Subsidiary maintains Deposit Accounts and (b) all institutions at which any Note Party or any Subsidiary maintains an account holding Investment Property, and such exhibit correctly identifies the name, address and telephone number of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

5.14 **[Reserved]**.

5.15 **Capitalization and Subsidiaries**. The Note Parties do not own any stock, partnership interest or other securities of any Person, except for Permitted Investments. Attached as Schedule 5.15 to the Disclosure Letter, as may be updated by Note Parties in a written notice provided after the Closing Date, is a true, correct and complete list of each direct and indirect Subsidiary of Parent.

5.16 **Centre of Main Interests and Establishments**. For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "***Regulation***"), Myovant England's centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "***establishment***" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction and Myovant Ireland's centre of main interest is situated in Ireland and it has no establishment in any other jurisdiction. The representation made under this **Section 5.16** is made on the date of this Agreement.

5.17 **Pensions**. Save for Myovant Ireland, none of Parent nor any Subsidiary is, or has at any time been (a) an employer (for the purposes of sections 38 to 51 of the U.K. Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the U.K. Pensions Schemes Act 1993) or (b) "***connected***" with or an "***associate***" of (as those terms are used in sections 38 and 43 of the U.K. Pensions Act 2004) such an employer.

5.18 **Pensions (Ireland)**. None of Parent, nor any Subsidiary is, or has at any time been, participating in or contributing to an occupational pension scheme in Ireland which is not a defined contribution scheme (both terms as defined in the Irish Pensions Act, 1990).

5.19 **Study Product Regulatory Matters**.

(a) Each Note Party holds all material approvals and authorizations from Governmental Authorities necessary for such Note Party to conduct its business in the manner in which such business is being conducted with respect to the Study Product, including with respect to the conduct of the then ongoing Clinical Studies and the development, manufacture and testing of the Study Product, and all such approvals and authorizations are in good standing and in full force and effect. No Note Party has received any notice or any other communication from any Governmental Authority regarding any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any such approvals or authorizations, except where such notice or communications would not reasonably be expected to result in a Material Adverse Effect.

(b) No Note Party has, with respect to the Study Product, knowingly made any untrue statement of material fact or fraudulent statement to any Governmental Authority, failed to disclose a material fact required to be disclosed to any Governmental Authority, or committed an act, made a statement or failed to make a statement, that provides or would reasonably be expected to provide a basis for a Governmental Authority to invoke the U.S. Food and Drug Administration's policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy of any other Governmental Authority.

(c) No Note Party is, or has ever been, (A) debarred by a Governmental Authority, (B) a party to a settlement, consent or similar agreement with a Governmental Authority regarding the Study Product, or (C) charged with, or convicted of, violating any applicable law regarding the Study Product.

(d) The Study Product is being and at all times has been (as applicable) developed, tested, manufactured, labeled, and stored by or, to the Note Parties' knowledge on behalf of, the Note Parties in compliance in all material respects with all applicable laws, including with respect to investigational use, good clinical practices, good laboratory practices, good manufacturing practices, record keeping, security, and filing of reports.

(e) Since April 29, 2016 until the Closing Date, the Study Product has not been the subject of or subject to (as applicable) any recall, suspension, market withdrawal, seizure, warning letter, other written communication. From the Closing Date and thereafter, the Study Product has not been the subject of or subject to (as applicable) any recall, suspension, market withdrawal, seizure, warning letter or other written communication in each case asserting lack of compliance by the Note Parties with any applicable law, except as would not reasonably be expected to result in a Material Adverse Effect. No Study Product Failure has occurred. As of the Closing Date, no event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for any of the foregoing events.

(f) As of the Closing Date, the Note Parties have made available to Agent true and complete copies of all requested material clinical data, reports and analysis and all requested material correspondence with the U.S. Food and Drug Administration.

(g) No Note Party or any of their Affiliates has received any adverse written notice from any Governmental Authority regarding the approvability or approval of the Study Product that would reasonably be expected to result in a Study Product Failure.

(h) No Governmental Authority has imposed, or communicated its intent to impose, a suspension, clinical hold, or other adverse regulatory action regarding the Study Product that would reasonably be expected to result in a Study Product Failure.

(i) The Note Parties have no intent to suspend or terminate a Clinical Study in a manner that would reasonably be expected to result in a Study Product Failure.

SECTION 6 INSURANCE; INDEMNIFICATION

6.01 Coverage. The Note Parties shall cause to be carried and maintained commercial general liability insurance, on an occurrence form, against risks customarily insured against in the Note Parties' line of business and in amounts and with deductibles as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations. Such risks shall include the risks of bodily injury, including death, property damage, personal injury, advertising injury, and contractual liability per the terms of the indemnification obligations set forth in **Section 6.03**. So long as there are any Secured Obligations (other than inchoate indemnity obligations) outstanding, the Note Parties that are Domestic Subsidiaries shall also cause to be carried and maintained insurance upon the Collateral, insuring against all risks of physical loss or damage howsoever caused, in an amount not less than the full replacement cost of the Collateral, provided that such insurance may be subject to standard exceptions and deductibles. All such insurance required under this **Section 6.01** shall be provided by financially sound and reputable insurance companies.

6.02 Certificates; Collateral Protection Coverage.

(a) The Note Parties that are Domestic Subsidiaries shall deliver to Agent certificates of insurance that evidence its compliance with its insurance obligations in **Section 6.01** and the obligations contained in this **Section 6.02**. The Note Parties' insurance certificate shall state that Agent (shown as "NovaQuest Pharma Opportunities Fund IV, L.P.", as Agent") is an additional insured for commercial general liability, and a loss payee for all risk property damage insurance, subject to the insurer's approval. Attached to the certificates of insurance will be additional insured endorsements for liability and lender's loss payable endorsements for all risk property damage insurance. All certificates of insurance will provide for a minimum of thirty (30) days' advance written notice to Agent of cancellation (other than cancellation for non-payment of premiums, for which ten (10) days' advance written notice shall be sufficient). Any failure of Agent to scrutinize such insurance certificates for compliance is not a waiver of any of Agent's rights, all of which are reserved.

(b) Upon the occurrence and during the continuance of an Event of Default, if the Note Parties fail to provide Agent, upon request, with evidence of the insurance coverage required by this Agreement, Agent may purchase insurance at Issuer's expense to protect Agent's interests in the Collateral. This insurance may, but need not, protect the Note Parties' interests. The coverage purchased by Agent may not pay any claim made by the Note Parties or any claim that is made against the Note Parties in connection with the Note Documents. The Note Parties may later cancel any insurance purchased by Agent, but only after providing Agent with evidence that the Note Parties have obtained insurance as required by this Agreement. If Agent purchases insurance for the Collateral, to the fullest extent provided by law, Issuer will be responsible for the costs of that insurance, including interest and other charges imposed by Agent in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Secured Obligations. The costs of the insurance may be more than the cost of insurance the Note Parties are able to obtain on their own.

6.03 **Indemnity**. Each Note Party agrees to indemnify and hold Agent, the Purchasers and their officers, directors, employees, agents, in-house attorneys, representatives and shareholders (each, an "***Indemnified Person***") harmless from and against any and all claims, costs, expenses, damages and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort), including reasonable attorneys' fees and disbursements and other costs of investigation or defense (including those incurred upon any appeal) (collectively, "***Liabilities***"), that may be instituted or asserted against or incurred by such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Note Documents or the administration of such credit, or in connection with or arising out of the transactions contemplated hereunder and thereunder, or any actions or failures to act in connection therewith, or arising out of the disposition or utilization of the Collateral, excluding in all cases Liabilities to the extent resulting solely from any Indemnified Person's gross negligence or willful misconduct. Each Note Party agrees to pay, and to save Agent and the Purchasers harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all registration, stamp, excise, sales or other similar taxes (excluding taxes imposed on or measured by the net income of Agent or the Purchasers) that may be payable or determined to be payable with respect to the execution, delivery, performance, enforcement or registration of any of the Collateral or the Note Documents. Except as set forth in the immediately prior sentence, indemnification for Taxes shall be governed by **Section 2.08**, and this Section 6.03 shall not apply to Taxes other than any Taxes that represent Liabilities arising from any non-Tax claim. In no event shall any Note Party or any Indemnified Person be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings). This **Section 6.03** shall survive the repayment of indebtedness under, and otherwise shall survive the expiration or other termination of, this Agreement.

SECTION 7 COVENANTS OF ISSUER

Each Note Party agrees as follows:

7.01 **Financial Reports**. The Note Parties shall furnish to Agent the financial statements and reports listed hereinafter (the "***Financial Statements***"):

(a) within forty-five (45) days after the end of each of the first three fiscal quarters of Parent's fiscal year, unaudited interim and year-to-date consolidated financial statements of Parent as of the end of such calendar quarter (prepared on a consolidated basis), including consolidated balance sheet and related consolidated statements of income and cash flows, certified by Parent's Chief Executive Officer, Chief Financial Officer, chief accounting officer or any other duly authorized officer or director (as set forth in the Compliance Certificate), except (i) for the absence of footnotes, and (ii) that they are subject to normal year-end adjustments;

(b) within ninety (90) days after the end of each fiscal year of Parent, unqualified, and without any going concern or similar limitations (other than a going concern qualification solely with respect to either having less than twelve (12) months of cash or the impending maturity of debt for the fiscal year ending immediately prior to the maturity date of such debt), audited consolidated financial statements of Parent as of the end of such year (prepared on a consolidated basis), including consolidated balance sheet and related consolidated statements of income and cash flows, and setting forth in comparative form the corresponding figures for the preceding fiscal year, certified by a firm of independent certified public accountants selected by Parent and reasonably acceptable to Agent (it being understood that Ernst & Young LLP and any other accounting firm of national standing is reasonably acceptable to Agent);

(c) (i) while no Event of Default has occurred and is continuing and until a Discharge of Senior Debt (as defined in the Intercreditor Agreement) occurs, within ten (10) days after the end of each month, copies of bank account statements and a report detailing any material contingencies (including the commencement of any material litigation by or against Parent), all certificated by Parent's Chief Executive Officer, Chief Financial Officer, principal accounting officer or any other duly authorized officer or director; and (ii) while an Event of Default has occurred and is continuing, as soon as practicable (and in any event within thirty (30) days) after the end of each month, unaudited interim and year-to-date financial statements of Parent as of the end of such month (prepared on a consolidated basis), including balance sheet and related statement of income accompanied by a report detailing any material contingencies (including the commencement of any material litigation by or against any Note Party), except (A) for the absence of footnotes, (B) that they are subject to normal year-end adjustments, and (C) they do not contain certain non-cash items that are customarily included in quarterly and annual financial statements;

(d) together with each set of financial statements delivered pursuant to **Section 7.01(a)**, **(b)** or **(c)**, a Compliance Certificate;

(e) promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports that Parent has made available to holders of any series of its Equity Interests generally and copies of any regular, periodic and special reports or registration statements that Parent files with the SEC or any governmental authority that may be substituted therefor, or any national securities exchange, provided that all such proxy statements, financial statements and reports shall be deemed to have been delivered to Agent for purposes of this **Section 7.01(e)** upon the filing of same with the SEC;

(f) within fifteen (15) days after their approval by the Board, and in any event, within sixty (60) days after the end of Parent's fiscal year, financial and business projections as approved by the Board, as well as budgets, operating plans and other financial information reasonably requested by Agent;

(g) solely after the Amortization Date, in each Compliance Certificate delivered pursuant to **Section 7.01(c)**, evidence of compliance with **Section 7.16**, in form and substance reasonably acceptable to Agent and supporting documentation reasonably requested by Agent, including certification of such compliance by the Chief Executive Officer, Chief Financial Officer, chief accounting officer or any other duly authorized officer or director of Parent;

(h) within ten (10) days of the end of each fiscal quarter, a reasonably detailed clinical update and regulatory update regarding the Study Product;

(i) notice of the occurrence of an event that has had or would reasonably be expected to have a Material Adverse Effect within two (2) Business Days after any Note Party or any Subsidiary obtains knowledge thereof; and

(j) immediate notice if any Note Party or any Subsidiary has knowledge that any Note Party, or any Subsidiary or Affiliate of any Note Party, 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.

No Note Party shall make any change in its (a) accounting policies or reporting practices, other than (i) to change its accounting policies or reporting practices from GAAP to IFRS or (ii) to the extent required or otherwise contemplated by GAAP or IFRS, as applicable, the SEC, the U.S. Public Company Accounting Oversight Board or other applicable regulatory requirements or (b) fiscal years or fiscal quarters. The fiscal year of Parent shall end on March 31.

The executed Compliance Certificate may be sent via email to Agent at matthew.bullard@nqcapital.com. All Financial Statements required to be delivered pursuant to clauses **(a)** and **(b)** shall be sent via e-mail to matthew.bullard@nqcapital.com with a copy to ryan.wooten@nqcapital.com, provided that, if e-mail is not available or sending such Financial Statements via e-mail is not possible, they shall be faxed to Agent at: 919-516-0580, attention Matthew Bullard.

Notwithstanding the foregoing, (i) documents required to be delivered under Sections 7.01(a), (b), (c) and (e) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and shall be deemed to have been delivered on the date on which Parent files such documents with the Commission and such documents are publicly available on the Commission's EDGAR filing system or any successor thereto, and (ii) in the event the Agent or any Purchaser provides the Issuer with written notice that the Agent or such Purchaser desires not to receive any material, non-public information (a "***Restricted Person***"), (A) neither the Issuer nor any other Person acting on its behalf shall provide the Agent, Purchasers or their agents or counsel with any information that constitutes or may reasonably be considered to constitute material, non-public information, (B) the Issuer shall not be required to deliver to such Restricted Person any financial statements specified in Section 7.01(a) or (b) or the certifications pursuant to Section 7.01(d) until such financial statements have been publicly filed with the Commission or the information contained in such certifications has been disclosed, as applicable, (C) the Issuer shall not be required to deliver to such Restricted Person any financial and other information pursuant to Section 7.01(c), (f), (g) or (h) (except to the extent any such information is otherwise publicly disclosed), and (D) in the case of any notice pursuant to Section 7.01(i) or any other provision of the Note Documents, the Issuer shall promptly notify each Restricted Person in writing or orally that the Issuer desires to deliver a notice to such Restricted Purchaser containing material non-public information (an "***MNPI Notice***"). Within five Business Days of receipt of such notification, the Restricted Person may either (i) refuse the delivery of such MNPI Notice, in which case the Issuer's obligations to deliver such notice to such Restricted Person shall be deemed satisfied, or (ii) notify the Issuer that it wishes to receive such MNPI Notice. A Restricted Person may upon not less than five (5) days prior written notice to the Issuer elect to cease being a Restricted Person.

7.02 Inspection Rights. At all times subject to **Section 11.13**, the Note Parties shall permit any representative that Agent or the Purchasers authorizes, including its attorneys and accountants, to inspect the Collateral and examine and make copies and abstracts of the books of account and records of the Note Parties at reasonable times and upon reasonable notice during normal business hours; provided, however, that, so long as no Event of Default has occurred and is continuing, such examinations shall be limited to no more often than once per fiscal year. At all times subject to **Section 11.13**, in addition, any such representative shall have the right to meet with management and officers of the Note Parties to discuss such books of account and records and the progress of the Clinical Studies and matters relating to Regulatory Approval.

7.03 Further Assurances.

(a) Each Note Party shall from time to time execute, deliver and file, alone or with Agent, any financing statements, security agreements, collateral assignments, notices, control agreements, or other documents to perfect or give first priority to Agent's Lien on the Collateral. Each Note Party shall from time to time procure any instruments or documents as may be reasonably requested by Agent, and take all further action that may be necessary, or that Agent may reasonably request, to perfect and protect the Agent's Lien on the Collateral. In addition, and for such purposes only, each Note Party hereby authorizes Agent to execute and deliver on its behalf and to file financing statements (including an indication that the financing statement covers "all assets or all personal property other than intellectual property" of such Note Party in accordance with Section 9-504 of the UCC), and during the continuance of an Event of Default, collateral assignments, notices, control agreements, security agreements and other documents without the signature of the Note Parties either in Agent's name or in the name of Agent as agent and attorney-in-fact for the Note Parties as necessary or appropriate to effect or perfect the grant of Agent's Lien in the Collateral.

(b) Notwithstanding anything to the contrary herein or in any other Note Document (i) with respect to any other property or assets acquired after the Closing Date, the Note Parties shall have thirty (30) days, or forty-five (45) days in the case of the Equity Interests, property or assets of, or actions required to be taken by, any Foreign Subsidiary, after the acquisition thereof or such Person becomes a Note Party (or such later date as may be agreed upon by the Agent in the exercise of its reasonable discretion with respect thereto) to take the actions required by this **Section 7.03** and **Section 7.13**, and (ii) no Note Party shall have any obligation to (A) obtain any landlord waivers, estoppels or collateral access letters, (B) perfect a security interest in any letter of credit rights, other than the filing of a UCC financing statement, or (C) obtain control agreements with respect to any Deposit Accounts or accounts holding Investment Accounts outside the United States.

(c) The Issuer will use its commercially reasonable efforts to (i) procure the listing of the Notes on the BSX (or another recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007) prior to the first interest payment date and (ii) maintain such listing for as long as such Notes are outstanding.

(d) The Issuer shall: (i) provide the Agent with such information and documents relating to the listing of the Notes, on the BSX or any other stock exchange, as reasonably requested by the Agent; and (ii) obtain the Agent's prior written consent (such consent not to unreasonably withheld) prior to disclosing any information or detail (other than the disclosure of the Note Documents and the terms of the Notes) to such stock exchange which relate to the Purchasers.

7.04 Indebtedness. No Note Party shall create, incur, assume, guarantee nor be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on any Note Party an obligation to prepay any Indebtedness, except for (a) the conversion of Indebtedness into equity securities and the payment of cash in lieu of fractional shares in connection with such conversion, (b) in connection with refinancing or replacement Indebtedness, (c) permitted purchase money Indebtedness pursuant to its then-applicable payment schedule, (d) prepayment of Indebtedness between Note Parties and (e) as otherwise permitted hereunder or approved in writing by Agent.

7.05 Collateral.

(a) Each Note Party shall at all times keep the Collateral, the Intellectual Property and all other property and assets used in the Note Parties' business or in which the Note Parties now or hereafter hold any interest free and clear from any Liens whatsoever (except for Permitted Liens).

(b) No Note Party shall agree with any Person other than Agent or the Purchasers not to encumber its property (other than Intellectual Property) other than pursuant to (i) this Agreement and the other Note Documents, (ii) any agreements governing any Permitted Indebtedness, (iii) any Permitted Lien or any document or instrument governing any Permitted Lien, (iv) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under **Section 7.08**, (v) customary restrictions and conditions contained in agreements governing joint ventures or strategic alliances in the ordinary course of business, (vi) agreements of any Subsidiary existing at the time such Person became a Subsidiary (and amendments or modifications thereto that do not materially expand the scope thereof); (vii) agreements existing as of the Closing Date (and amendments or modifications thereto that do not materially expand the scope thereof); and (viii) customary provisions regarding confidentiality or restricting assignments, pledges or transfers of any agreement entered into in the ordinary course of business.

(c) No Note Party shall enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Note Party to create, incur, assume or suffer to exist any Lien upon any of its Intellectual Property, whether now owned or hereafter acquired, to secure its obligations under the Note Documents to which it is a party other than pursuant to (i) this Agreement and the other Note Documents, (ii) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (iii) customary restrictions on the assignment, sublicense or sublease of leases, licenses and other agreements regarding confidentiality, (iv) customary restrictions on Liens in licensing or collaboration agreements relating to such Intellectual Property provided that such restrictions do not prohibit the Liens granted to the Agent pursuant to the Note Documents, (v) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under **Section 7.08**, (vi) customary restrictions and conditions contained in agreements governing joint ventures or strategic alliances in the ordinary course of business, (vii) agreements of any Subsidiary existing at the time such Person became a Subsidiary (and amendments or modifications thereto that do not materially expand the scope thereof); (viii) agreements existing as of the Closing Date (and amendments or modifications thereto that do not materially expand the scope thereof) (other than shrink-wrap software licenses) and listed on **Exhibit E** to the Disclosure Letter; and (ix) any agreements governing Permitted Senior Debt.

(d) Each Note Party shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to protect and defend title to its assets from and against all Persons claiming any interest adverse to such Note Party or Subsidiary.

7.06 Investments. No Note Party shall directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments.

7.07 **Distributions**. No Note Party shall, and shall not allow any Subsidiary to, (a) repurchase or redeem any class of shares, stock or other Equity Interest other than (i) pursuant to employee, director or consultant repurchase plans or other similar agreements in accordance with applicable law, provided, however, in each case, the aggregate repurchase or redemption proceeds do not exceed the original consideration received by the relevant Note Party or Subsidiary for such shares, stock or Equity Interest, (ii) repurchases of such shares, stock or Equity Interest deemed to occur upon exercise of stock options or warrants if such repurchased shares, stock or Equity Interest represents a portion of the exercise price of such options or warrants, (iii) repurchases of such shares, stock or Equity Interest deemed to occur upon the withholding of a portion of such shares, stock or Equity Interest granted or awarded to a current or former officer, director, employee or consultant to pay for the taxes payable by such Person upon such grant or award (or upon vesting thereof) or (iv) purchases of its Common Shares or equity derivatives with respect to its Common Shares (including capped call, call spread, accelerated stock repurchase and forward purchase transactions) using the proceeds from the simultaneous issuance of convertible notes pursuant to a Permitted Convertible Debt Financing, (and any payments under or pursuant to, or settlements of, any such accelerated or forward stock repurchase arrangements, call spreads, capped calls or other derivatives entered into simultaneously at the time of and in connection with a Permitted Convertible Debt Financing); provided that the aggregate net purchase price of such transactions in the aggregate shall not exceed thirty percent (30.00%) of the net proceeds from the Permitted Convertible Debt Financing; or (b) declare or pay any cash dividend or make a cash distribution on any class of shares, stock or other Equity Interest, except that a Subsidiary may pay dividends or make distributions to any other Note Party or if a Note Party is not its direct parent entity, to its parent entity; or (c) lend money to any employees, officers or directors or guarantee the payment of any such loans granted by a third party in excess of Five Hundred Thousand Dollars ($500,000) in the aggregate; or (d) waive, release or forgive any Indebtedness (other than Indebtedness represented by a Permitted Investment made pursuant to clause (viii) thereof) owed by any employees, officers or directors in excess of Five Hundred Thousand Dollars ($500,000) in the aggregate in any fiscal year.

7.08 **Transfers**. Except for Permitted Transfers, no Note Party shall, and shall not allow any Subsidiary to, voluntarily or involuntarily transfer, sell, lease, license, lend or in any other manner convey any equitable, beneficial or legal interest in any material portion of its assets or sell a controlling ownership interest in or majority equity interest in any Subsidiary organized or acquired after the Closing Date.

7.09 **Mergers or Acquisitions**. No Note Party shall merge or consolidate, or permit any of its Subsidiaries to merge, amalgamate or consolidate, with or into any other business organization (other than mergers, amalgamations or consolidations of (a) a Subsidiary which is not a Note Party into another Subsidiary or into a Note Party or (b) a Note Party into another Note Party (including any entity that becomes a Note Party pursuant to **Section 7.13** substantially concurrently with the occurrence of such merger, amalgamation or consolidation)), or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, other than in connection with a Permitted Investment or a Permitted Transfer.

7.10 **Taxes**. Each Note Party and its Subsidiaries shall pay when due all material taxes, fees or other charges of any nature whatsoever (together with any related interest or penalties) now or hereafter imposed or assessed against (i) any Note Party, any of its Subsidiaries or the Collateral or (ii) upon any Note Party's or any of its Subsidiaries' ownership, possession, use, operation or disposition of the Collateral or upon any Note Party's or any of its Subsidiaries' rents, receipts or earnings arising therefrom. Each Note Party shall file on or before the due date therefor all material personal property tax returns in respect of the Collateral. Notwithstanding the foregoing, any Note Party may contest, in good faith and by appropriate proceedings, taxes for which such Note Party maintains adequate reserves therefor in accordance with GAAP or IFRS, as applicable.

7.11 **Corporate Changes**. No Note Party nor any Subsidiary shall change its corporate name, legal form or jurisdiction of formation without twenty (20) days' prior written notice to Agent. No Change in Control shall occur. No Note Party nor any Subsidiary shall relocate its chief executive office or its principal place of business unless it has provided prior written notice to Agent. No Note Party nor any Subsidiary shall relocate any tangible item of Collateral (other than (i) clinical drug supplies utilized in the ordinary course of business, (ii) sales of assets made in accordance with **Section 7.08**, (iii) relocations of assets having an aggregate value of up to Five Hundred Thousand Dollars ($500,000) in any fiscal year, and (iv) relocations of Collateral from a location described on **Exhibit B** to the Disclosure Letter to another location described on **Exhibit B** to the Disclosure Letter) unless (A) it has provided prompt written notice to Agent and (B) if such relocation is to a third party bailee, if not prohibited by applicable law, it has delivered a bailee agreement in form and substance reasonably acceptable to Agent.

7.12 **Deposit Accounts**. Other than Excluded Accounts, no Note Party nor any Subsidiary shall maintain any Deposit Accounts, or accounts holding Investment Property, except with respect to which Agent has (i) an Account Control Agreement or (ii) such other agreement or arrangement as a result of which the Agent shall have a perfected security interest therein or as may be otherwise acceptable to Agent for Deposit Accounts and accounts holding Investment Property outside of the United States of America.

7.13 **Future Subsidiaries**. Each Note Party shall notify Agent of each Subsidiary that is not an Excluded Subsidiary formed subsequent to the Closing Date and, within (i) thirty (30) days of formation of any Subsidiary formed or organized under the laws of the United States of America or any state, commonwealth or territory thereof and (ii) forty-five (45) days of formation of any Subsidiary that is not an Excluded Subsidiary organized outside of the United States of America or any state, commonwealth or territory thereof, shall cause any such Subsidiary, unless otherwise consented to by Agent, to execute and deliver to Agent Joinder Documents or other documents with respect to such entity becoming a guarantor hereunder as reasonably acceptable to Agent.

7.14 **Notification of Event of Default**. Parent shall notify Agent promptly, and in any event within two (2) Business Days, of (a) the occurrence of any Event of Default, and (b) any termination or default under or material amendment or replacement of any Roivant Document.

7.15 **Use of Proceeds**. Issuer agrees that the proceeds of the Notes shall be used solely to pay related fees and expenses in connection with this Agreement and to support the clinical development and commercialization of the Study Product.

7.16 **Minimum Cash Amount**. Beginning on the Amortization Date, the Note Parties shall maintain Unrestricted Cash in an amount greater than or equal to the amount of cash required to make the next four (4) succeeding amortization payments pursuant to **Section 2.01(d)**.

7.17 **OFAC**. No Note Party nor any of its Subsidiaries shall, nor shall any Note Party or any of its Subsidiaries permit any Affiliate under Parent's direct or indirect control to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. No Note Party nor any of its Subsidiaries shall, nor shall any Note Party or any of its Subsidiaries permit any Affiliate under Parent's direct or indirect control to, directly or indirectly, (a) 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, (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (c) 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.

7.18 **COMI**. Neither Myovant England, Myovant Ireland nor any other Subsidiary of any Note Party whose jurisdiction of incorporation or organization is in a member state of the European Union shall change its "centre of main interests" (as that term is used in Article 3(1) of the Regulation).

SECTION 8 EQUITY PURCHASE COMMITMENT

8.01 **Equity Purchase**. Subject to **Sections 2.01, 4.03, 8.03 and 8.04**, on each Purchase Date, the Purchasers shall, or shall cause their Affiliates (the Purchasers, acting for themselves or through their Affiliates, collectively, the "***Equity Purchaser***") to purchase and Parent shall issue and sell (each, an "***Equity Purchase***"), at the Equity Purchase Price (as defined below), a number of Common Shares (the "***Shares***") equal to (a)(i) the principal amount of the Purchase made on such Purchase Date *multiplied by* (ii) 33.3333%, *divided by* (b) the Equity Purchase Price, rounded down to the nearest whole Common Share. The "***Equity Purchase Price***" for each Equity Purchase means (A) the average of the VWAP per Common Share for each Trading Day in the five consecutive Trading Days immediately prior to the relevant Purchase Date *multiplied by* (B) 105%. "***VWAP***" means, for any Trading Day, the volume-weighted average price for sales of Common Shares on the Principal Market between regular trading hours (i.e. for the NYSE, the hours of 9:30 a.m. and 4:00 p.m. New York time), as reported by Bloomberg L.P. or, if not reported thereby, another alternative source as reasonably agreed to by Parent and Equity Purchaser. The parties hereto agree that the obligation of Parent under this **Section 8** is a separate and independent obligation from the obligation of the Issuer to issue the Notes, and the Notes shall not include or incorporate by reference an obligation of Purchasers to make an Equity Purchase.

8.02 **Equity Closings**. The initial purchase and sale of the Shares pursuant to this **Section 8** will take place remotely via the exchange of documents and signatures on the Closing Date (the initial closing and each closing of a subsequent Equity Purchase in accordance with **Section 8.01**, each an "***Equity Closing***"). On the date of each Equity Closing, Parent will instruct its transfer agent to register and deliver via electronic book-entry, or otherwise cause to be delivered a certificate representing, the Shares being purchased by Equity Purchaser within two Business Days of such Equity Closing, and Equity Purchaser shall transfer payment of the aggregate Equity Purchase Price by wire transfer of immediately available funds to a bank account designated by Parent.

8.03 **Principal Market Limitation**. Notwithstanding the foregoing, Parent and Equity Purchaser agree that no Equity Purchase shall proceed if, after giving effect thereto, it would breach Parent's obligations under the applicable rules of the Principal Market, including without limitation, Parent's obligation to obtain shareholder approval. In the event that Parent, upon advice of its counsel, determines that any Equity Purchase would likely breach Parent's obligations under applicable Principal Market rules, the Parent shall notify Equity Purchaser within one Business Day of the relevant Purchase Date. In such case, the Equity Purchase shall only proceed to the extent that Parent elects, in its sole discretion, to solicit shareholder approval or otherwise bring the Equity Purchase into compliance with the applicable rules and regulations of the Principal Market. For the avoidance of doubt, Parent may, but shall be under no obligation to, request its shareholders to approve the issuance of Shares under this Agreement.

8.04 Representations and Warranties of Parent and Equity Purchaser for Equity Closings. As of each Equity Closing, (a) Parent hereby represents and warrants that the representations and warranties set forth in **Section 5** hereof and on **Exhibit D** hereto are true and complete as of such Equity Closing and (b) Equity Purchaser represents and warrants that the representations and warranties set forth in **Section 13** hereof are true and complete as of such Equity Closing.

8.05 Limitation on Transfer. Equity Purchaser, and any assignee of record of the Shares issued to Equity Purchaser pursuant to this **Section 8** (each such Person, a "***Holder***") will not make any disposition of all or any portion of any such Shares unless:

(a) there is then in effect a registration statement under the Securities Act of 1933, as amended (the "***Securities Act***"), covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(b) such Holder has notified Parent of the proposed disposition and has furnished Parent with a statement of the circumstances surrounding the proposed disposition, and, at the expense of such Holder or its transferee, with an opinion of counsel, reasonably satisfactory to Parent, that such disposition will not require registration of such securities under the Securities Act.

Notwithstanding the provisions of **Section 8.05(a)** and **Section 8.05(b)**, no such registration statement or opinion of counsel will be required: (i) for any transfer of any Shares in compliance with the SEC's Rule 144, or (ii) for any transfer of any Shares by a Holder that is a partnership, limited liability company, corporation or venture capital fund to (A) a partner of such partnership, member of such limited liability company or stockholder of such corporation, (B) an affiliate of such partnership, limited liability company or corporation (including, any affiliated investment fund of such Holder), (C) a retired partner of such partnership or a retired member of such limited liability company, or (D) the estate of any such partner, member, or stockholder; provided that, in the case of clause (ii), the transferee agrees in writing to be subject to the terms and conditions of this **Section 8** to the same extent as if the transferee were an original Equity Purchaser under this **Section 8**.

SECTION 9 EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an Event of Default:

9.01 Payments. Any Note Party fails to pay any amount due under this Agreement or any of the other Note Documents on the due date; provided, however, that an Event of Default shall not occur on account of a failure to pay due solely to an administrative or operational error of Agent or any Purchaser or any Note Party's bank if such Note Party had the funds to make the payment when due and makes the payment within three (3) Business Days following such Note Party's knowledge of such failure to pay; or

9.02 **Covenants**. Any Note Party breaches or defaults in the performance of any covenant or Secured Obligation under this Agreement, or any of the other Note Documents, and (a) with respect to a default under any covenant under this Agreement (other than under **Sections 7.01(i), 7.03(b)(i), 7.04**, **7.05**, **7.06**, **7.07**, **7.08**, **7.09**, **7.14(a), 7.15** or **7.16**) or any other Note Document, such default continues for more than thirty (30) days after the earlier of the date on which (i) Agent or any Purchaser has given notice of such default to the Note Parties and (ii) any Note Party has actual knowledge of such default or (b) with respect to a default under any of **Sections 7.01(i), 7.03(b)(i), 7.04**, **7.05**, **7.06**, **7.07**, **7.08**, **7.09**, **7.14(a), 7.15** or **7.16**, the occurrence of such default; or

9.03 **Representations**. Any representation or warranty made by any Note Party in any Note Document shall have been false or misleading in any material respect when made or when deemed made; or

9.04 **Insolvency**. An Insolvency Event occurs with respect to any Note Party; or

9.05 **Attachments; Judgments**. Any material portion of the assets of the Note Parties, taken as a whole, is attached or seized, or a levy is filed against any such assets, or a judgment or judgments is/are entered for the payment of money (not covered by independent third party insurance as to which liability has not been rejected by such insurance carrier), individually or in the aggregate, of at least Two Million Five Hundred Thousand Dollars ($2,500,000), and such judgment remains unsatisfied, unvacated, or unstayed for a period of twenty (20) days after the entry thereof, or any Note Party is enjoined or in any way prevented by court order from conducting any material part of its business; or

9.06 **Senior Loan Documents**. The occurrence of any event of default (after giving effect to any grace or cure period) under the Senior Loan Documents, which results in a right by the Senior Lenders, whether or not exercised, to accelerate the maturity of the Senior Debt or otherwise exercise its remedies under the Senior Loan Documents; or

9.07 **Other Obligations**. The occurrence of any default (after giving effect to any grace or cure period) under any agreement or obligation of any Note Party involving any Indebtedness in excess of Two Million Five Hundred Thousand Dollars ($2,500,000), which has resulted in a right by the holder of such Indebtedness, whether or not exercised, to accelerate the maturity of such Indebtedness; or

9.08 **Expropriation**. The authority or ability of the Note Parties to conduct their business as a whole is limited or wholly or substantially curtailed by any seizure, expropriation or nationalization by or on behalf of any Governmental Authority or other Person in relation to the Note Parties or any of their respective assets.

9.09 Pensions. (a) The U.K. Pensions Regulator issues a Financial Support Direction or a Contribution Notice is issued to Parent or any Subsidiary (other than Myovant Ireland), unless the aggregate liability of Parent and such Subsidiaries (other than Myovant Ireland) under all Financial Support Directions and Contributions Notices is less than Five Hundred Thousand Dollars ($500,000) or (b) the Irish High Court makes an order under section 87 of the Irish Pensions Act, 1990 against the Parent or any Subsidiary unless the aggregate liability of Parent and such Subsidiaries under all such orders is less than Five Hundred Thousand Euro (€500,000).

SECTION 10 REMEDIES

10.01 General. Upon and during the continuance of any one or more Events of Default, (i) Agent may, at its option, accelerate and demand payment of all or any part of the Secured Obligations (including the Notes) together with a Redemption Charge and declare them to be immediately due and payable (provided, that upon the occurrence of an Event of Default of the type described in **Section 9.04**, all of the Secured Obligations (including the Notes) shall automatically be accelerated and made due and payable, in each case without any further notice or act), (ii) Agent may, at its option, sign and file in any Note Party's name any and all collateral assignments, notices, control agreements, security agreements and other documents it deems necessary or appropriate to perfect or protect the repayment of the Secured Obligations (including the Notes), and in furtherance thereof, each Note Party hereby grants Agent an irrevocable power of attorney coupled with an interest, and (iii) Agent may notify any of any Note Party's account debtors to make payment directly to Agent, compromise the amount of any such account on such Note Party's behalf and endorse Agent's name without recourse on any such payment for deposit directly to Agent's account. Agent may exercise all rights and remedies with respect to the Collateral under the Note Documents or otherwise available to it under the UCC and other applicable law, including the right to release, hold, sell, lease, liquidate, collect, realize upon, or otherwise dispose of all or any part of the Collateral and the right to occupy, utilize, process and commingle the Collateral. The Agent shall be entitled to exercise any and all rights and remedies set forth in the Note Documents. All Agent's rights and remedies shall be cumulative and not exclusive.

10.02 Collection; Foreclosure. Upon the occurrence and during the continuance of any Event of Default, Agent may, at any time or from time to time, apply, collect, liquidate, sell in one or more sales, lease or otherwise dispose of, any or all of the Collateral, in its then condition or following any commercially reasonable preparation or processing, in such order as Agent may elect. Any such sale may be made either at public or private sale at its place of business or elsewhere. Each Note Party agrees that any such public or private sale may occur upon ten (10) calendar days' prior written notice to such Note Party. Agent may require any Note Party to assemble the Collateral and make it available to Agent at a place designated by Agent that is reasonably convenient to Agent and such Note Party.

The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be applied by Agent in the following order of priorities:

First, to Agent and each Purchaser in an amount sufficient to pay in full Agent's and the Purchasers' reasonable costs and professionals' and advisors' fees and expenses as described in **Section 11.12**;

Second, to the Purchasers in an amount equal to the then unpaid amount of the Secured Obligations (including principal, interest, any applicable Redemption Charge and the Default Rate interest as set forth in **Section 2.03**, whether payable in respect of the Notes or pursuant to any other Note Document), in such order and priority as Agent may choose in its sole discretion; and

Finally, after the full and final payment in Cash of all of the Secured Obligations (other than inchoate obligations), to any creditor holding a junior Lien on the Collateral, or to the Note Parties or their representatives or as a court of competent jurisdiction may direct.

Agent shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it complies with the obligations of a secured party under the UCC.

10.03 No Waiver. Agent shall be under no obligation to marshal any of the Collateral for the benefit of the Note Parties or any other Person, and each Note Party expressly waives all rights, if any, to require Agent to marshal any Collateral.

10.04 Cumulative Remedies. The rights, powers and remedies of Agent hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of or election of remedies with respect to any other rights, powers and remedies of Agent.

SECTION 11 MISCELLANEOUS

11.01 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

11.02 Notice. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication (including the delivery of Financial Statements) that is required, contemplated, or permitted under the Note Documents or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by electronic mail or hand delivery or delivery by an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States of America mails, with proper first class postage prepaid, in each case addressed to the party to be notified as follows:

(a) If to Agent:

NovaQuest Pharma Opportunities Fund IV, L.P.
Attention: Matthew Bullard
4208 Six Forks Road, Suite 920
Raleigh, NC 27609
Email: matthew.bullard@nqcapital.com
Telephone: 919-459-8628

with a copy (which shall not constitute notice) to:

Wyrick Robbins Yates & Ponton LLP
Attention: Daniel S. Porper and Robert E. Futrell Jr.
4101 Lake Boone Trail, Suite 300
Raleigh, NC 27607
Email: dporper@wyrick.com and rfutrell@wyrick.com
Telephone: 919-781-4000

(b) If to the Purchasers:

NovaQuest Pharma Opportunities Fund IV, L.P.
Attention: Matthew Bullard
4208 Six Forks Road, Suite 920
Raleigh, NC 27609
Email: matthew.bullard@nqcapital.com
Telephone: 919-459-8628

with a copy (which shall not constitute notice) to:

Wyrick Robbins Yates & Ponton LLP
Attention: Daniel S. Porper and Robert E. Futrell Jr.
4101 Lake Boone Trail, Suite 300
Raleigh, NC 27607
Email: dporper@wyrick.com and rfutrell@wyrick.com
Telephone: 919-781-4000

(c) If to any Note Party:

c/o Myovant Sciences, Inc.
Attention: Frank Karbe
2000 Sierra Point Parkway, 9th Floor
Brisbane, CA 94005
email: Frank.Karbe@myovant.com
Telephone: 650-238-0241

with a copy (which shall not constitute notice) to:

COOLEY LLP
Attention: Gian-Michele a Marca
500 California Street
San Francisco, CA 94117
email: gmamarca@cooley.com
Telephone: 415-693-2148

or to such other address as each party may designate for itself by like notice.

11.03 Entire Agreement; Amendments.

(a) This Agreement and the other Note Documents constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and supersede and replace in their entirety any prior proposals, term sheets, non-disclosure or confidentiality agreements, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof.

(b) Neither this Agreement, any other Note Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this **Section 11.03(b)**. The Required Purchasers and each Note Party party to the relevant Note Document may, or, with the written consent of the Required Purchasers, the Agent and the Note Parties party to the relevant Note Document may, from time to time, (i) enter into written amendments, supplements or modifications hereto and to the other Note Documents for the purpose of adding any provisions to this Agreement or the other Note Documents or changing in any manner the rights of the Purchasers or of the Note Parties hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Purchasers or the Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Note Documents or any default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Note, extend the scheduled date of any amortization payment in respect of any Note, reduce the stated rate of any interest or fee payable hereunder) or extend the scheduled date of any payment thereof, in each case without the written consent of each Purchaser directly affected thereby; (B) eliminate or reduce the consent rights of any Purchaser under this **Section 11.03(b)** without the written consent of such Purchaser; (C) reduce any percentage specified in the definition of Required Purchasers, consent to the assignment or transfer by the Note Parties of any of their rights and obligations under this Agreement and the other Note Documents, release a material portion of the Collateral or release a Note Party from its obligations under the Note Documents, in each case without the written consent of all Purchasers; or (D) amend, modify or waive any provision of **Section 11.18** without the written consent of the Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each Purchaser and shall be binding upon the Note Parties, the Purchaser, the Agent and all future holders of the Notes.

11.04 **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.

11.05 **No Waiver**. The powers conferred upon Agent and the Purchasers by this Agreement are solely to protect its rights hereunder and under the other Note Documents and its interest in the Collateral and shall not impose any duty upon Agent or Purchaser to exercise any such powers. No omission or delay by Agent or the Purchasers at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the Note Parties at any time designated, shall be a waiver of any such right or remedy to which Agent or any Purchaser is entitled, nor shall it in any way affect the right of Agent or any Purchaser to enforce such provisions thereafter.

11.06 **Survival**. All agreements, representations and warranties contained in this Agreement and the other Note Documents or in any document delivered pursuant hereto or thereto shall be for the benefit of Agent and the Purchasers and shall survive the execution and delivery of this Agreement. **Sections 6.03, 11.06, 11.13 and 11.18** shall survive the termination of this Agreement.

11.07 **Successors and Assigns**.

(a) The provisions of this Agreement and the other Note Documents shall inure to the benefit of and be binding on each Note Party and its permitted assigns (if any), except that no Note Party shall assign its obligations under this Agreement or any of the other Note Documents without Agent's express prior written consent, and any such attempted assignment shall be void and of no effect.

(b) Each of the Agent and the Purchasers may assign, transfer or endorse its rights hereunder and under the other Note Documents (other than the obligation to invest pursuant to **Section 8.01**, which shall be nontransferable), without prior notice to the Note Parties, and all of such rights shall inure to the benefit of Agent's and each Purchaser's successors and assigns.

(c) Agent, acting solely for this purpose as an agent of the Note Parties, shall maintain at one of its offices a copy of each sale or assignment of each Purchaser pursuant to this **Section 11.07** and **Section 11.14** delivered to it and a register for the recordation of the names and addresses of the Purchasers and the Note Purchase Commitments of, and principal amounts (and stated interest) of the Notes owing to, each Purchaser pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and the Note Parties, Agent and the Purchasers shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Purchaser hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Note Parties and any Purchaser, at any reasonable time and from time to time upon reasonable prior notice. The identity of each Purchaser is permitted to be disclosed to the tax authorities of Switzerland by the relevant Swiss Guarantor. The parties agree that the foregoing is intended to ensure that the Notes are in "registered form" within the meaning of Section 5f.103-1(c) of the Treasury Regulations promulgated under the Code and shall be interpreted consistently therewith.

(d) (i) Any Purchaser may, without the consent of the Issuer or the Agent, sell participations to one or more banks or other entities (excluding (x) Parent and its Affiliates and (y) any Person that is a direct competitor of any Note Party (as reasonably determined by Agent in consultation with the Note Parties)) (a "***Participant***") in all or a portion of such Purchaser's rights and obligations under this Agreement; provided that (A) such Purchaser's obligations under this Agreement shall remain unchanged, (B) such Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the sale of such Participation shall not affect the free transferability of those Notes issued and outstanding and (D) the Issuer, the Agent and the other Purchasers shall continue to deal solely and directly with such Purchaser in connection with such Purchaser's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Purchaser sells such a participation shall provide that such Purchaser shall remain the registered holder of its Notes and retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Purchaser will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to **Section 11.03(b)** that affects such Participant. Subject to paragraph (d)(ii) of this **Section 11.07**, the Issuer and agrees that each Participant shall be entitled to the benefits of **Section 2.08** (subject to the requirements and limitations therein) to the same extent as if it were a Purchaser and had acquired its interest by assignment pursuant to **Section 11.07(b)**.

(ii) a Participant shall not be entitled to receive any greater payment under **Section 2.08** than the applicable Purchaser would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Issuer's prior written consent (as applicable) or such right to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant shall not be entitled to the benefits of **Section 2.08** unless the Issuer is notified of the participation sold to such Participant and such Participant complies with **Section 2.08(d)** as though it were a Purchaser (it being understood that the documentation required under **Section 2.08(g)** shall be delivered to the participating Purchaser). Each Purchaser that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Issuer, 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 Notes or other obligations under the Note Documents (the "***Participant Register***"); provided that no Purchaser 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 Note Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Purchaser shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

11.08 Exposure Transfers. Subject to **Section 11.07**, no Purchaser shall enter into any arrangement with another person under which such Purchaser substantially transfers its exposure under this Agreement to that other person, unless under such arrangement throughout the life of such arrangement:

(a) relationship between the Purchaser and that other person is that of a debtor and creditor (including in the bankruptcy or similar event of the Purchaser or any Note Party);

(b) the other person will have no proprietary interest in the benefit of this Agreement or in any monies received by the Purchaser under or in relation to this Agreement; and

(c) the other person will under no circumstances (other than permitted transfers and assignments under **Section 11.07**) (y) be subrogated to, or substituted in respect of, the Purchasers' claims under this Agreement; and (z) have otherwise any contractual relationship with, or rights against, the Note Parties under or in relation to this Agreement.

11.09 **Governing Law**. This Agreement and the other Note Documents have been negotiated and delivered to Agent and the Purchasers in the State of New York. This Agreement and the other Note Documents (other than the Bermuda Security Documents, the English Security Documents, the Irish Security Documents, the Swiss Security Documents and such other Note Documents as expressly state the contrary) shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

11.10 **CONSENT TO JURISDICTION AND VENUE**. ALL JUDICIAL PROCEEDINGS ARISING IN OR UNDER OR RELATED TO THIS AGREEMENT OR ANY OF THE OTHER NOTE DOCUMENTS MAY BE BROUGHT IN ANY STATE COURT LOCATED IN THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURTS FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER NOTE DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT OR ANY PURCHASER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT AGAINST ISSUER OR ANY OTHER NOTE PARTY OR ITS OR THEIR PROPERTIES IN THE COURTS OF ANY JURISDICTION. ISSUER AND EACH OTHER NOTE PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT IN ANY COURT REFERRED TO IN THIS **SECTION 11.10**. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT. SERVICE OF PROCESS ON ANY PARTY HERETO IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE EFFECTIVE IF GIVEN IN ACCORDANCE WITH THE REQUIREMENTS FOR NOTICE SET FORTH IN **SECTION 11.02**, AND SHALL BE DEEMED EFFECTIVE AND RECEIVED AS SET FORTH IN **SECTION 11.02**. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

11.11 **Mutual Waiver of Jury Trial**. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert Person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF THE NOTE PARTIES, AGENT AND PURCHASER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "***CLAIMS***") ASSERTED BY THE NOTE PARTIES AGAINST AGENT, PURCHASER OR THEIR RESPECTIVE ASSIGNEE OR BY AGENT, PURCHASER OR THEIR RESPECTIVE ASSIGNEE AGAINST ANY NOTE PARTY. This waiver extends to all such Claims, including Claims that involve Persons other than Agent, the Note Parties and the Purchasers; Claims that arise out of or are in any way connected to the relationship among the Note Parties, Agent and the Purchasers; and any Claims for damages, breach of contract, tort, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement or any other Note Document.

11.12 **Professional Fees**. Each Note Party promises to pay any and all reasonable and documented out-of-pocket attorneys' and other professionals' fees and expenses incurred by Agent and the Purchasers after the Closing Date in connection with or related to: (a) the Notes; (b) the administration, collection, or enforcement of the Note; (c) the amendment or modification of the Note Documents; (d) any waiver, consent, release, or termination under the Note Documents; (e) the protection, preservation, audit, field exam, sale, lease, liquidation, or disposition of Collateral or the exercise of remedies with respect to the Collateral; (f) any legal, litigation, administrative, arbitration, or out of court proceeding in connection with or related to the Note Parties or the Collateral, and any appeal or review thereof; and (g) any bankruptcy, restructuring, reorganization, assignment for the benefit of creditors, workout, foreclosure, or other action related to the Note Parties, the Collateral, the Note Documents, including representing Agent or the Purchasers in any adversary proceeding or contested matter commenced or continued by or on behalf of any Note Party's estate, and any appeal or review thereof.

11.13 **Confidentiality**. Agent and the Purchasers acknowledge that certain items of Collateral and information provided to Agent and the Purchasers by the Note Parties are confidential and proprietary information of the Note Parties, if and to the extent such information either (x) is marked as confidential by the Note Parties at the time of disclosure, or (y) should reasonably be understood to be confidential (the "***Confidential Information***"). Accordingly, Agent and the Purchasers agree that any Confidential Information it may obtain in the course of acquiring, administering, or perfecting Agent's security interest in the Collateral shall not be disclosed to any other Person or entity in any manner whatsoever, in whole or in part, without the prior written consent of the Note Parties, except that Agent and each Purchaser may disclose any such information: (a) to its own and to its Affiliates' limited partners, members, managers, directors, individuals or bodies responsible for governance of Agent or the Purchasers (including Agent's and Agent's Affiliates' investment committees and limited partner advisory committees), officers, employees, accountants, counsel and other professional advisors if Agent or the Purchasers in their sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Note or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Agent or the Purchasers; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Agent's or Purchasers' counsel; (e) to comply with any legal requirement or law applicable to Agent or the Purchasers; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under any Note Document, including Agent's sale, lease, or other disposition of Collateral after default; (g) to any Participant or assignee of Agent or the Purchasers or any prospective Participant or assignee; provided that such Participant or assignee or prospective Participant or assignee agrees in writing to be bound by this Section prior to disclosure; (h) to any investor or potential investor (or advisors or fiduciaries (including trustees) to such investor or potential investor) in connection with an investment or potential investment transaction in or with Agent or an Affiliate of Agent; or (i) otherwise with the prior consent of the Note Parties; provided that any disclosure made in violation of this Agreement shall not affect the obligations of the Note Parties or any of their respective Affiliates.

11.14 **Assignment of Rights**. Each Note Party acknowledges and understands that Agent or the Purchasers may, subject to **Section 11.07**, sell and assign all or part of its interest hereunder and under the Note Documents to any Person or entity (an "***Assignee***"). After such assignment the term "***Agent***" or "***Purchaser***" as used in the Note Documents shall mean and include such Assignee, and such Assignee shall be vested with all rights, powers and remedies of Agent and the Purchasers hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Agent and the Purchasers shall retain all rights, powers and remedies hereby given. No such assignment by Agent or the Purchasers shall relieve any Note Party of any of its obligations hereunder. The Purchasers agree that in the event of any transfer by it of the Note(s) (if any), it will endorse thereon a notation as to the portion of the principal of the Note(s), which shall have been paid at the time of such transfer and as to the date to which interest shall have been last paid thereon.

11.15 **Revival of Secured Obligations**. This Agreement and the Note Documents shall remain in full force and effect and continue to be effective if any petition is filed by or against any Note Party for liquidation or reorganization or examinership, if any Note Party becomes insolvent or makes an assignment for the benefit of creditors, if a receiver or trustee is appointed for all or any significant part of any Note Party's assets, or if any payment or transfer of Collateral is recovered from Agent or the Purchasers. The Note Documents and the Secured Obligations and Collateral security shall continue to be effective, or shall be revived or reinstated, as the case may be, if at any time payment and performance of the Secured Obligations or any transfer of Collateral to Agent, or any part thereof is rescinded, avoided or avoidable, reduced in amount, or must otherwise be restored or returned by, or is recovered from, Agent, any Purchaser or by any obligee of the Secured Obligations, whether as a "***voidable preference,***" "***fraudulent conveyance,***" or otherwise, all as though such payment, performance, or transfer of Collateral had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, avoided, avoidable, restored, returned, or recovered, the Note Documents and the Secured Obligations shall be deemed, without any further action or documentation, to have been revived and reinstated except to the extent of the full, final, and indefeasible payment to Agent or the Purchasers in Cash.

11.16 **Counterparts**. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

11.17 **No Third Party Beneficiaries**. No provisions of the Note Documents are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Agent, the Purchasers and the Note Parties unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions of the Note Documents will be personal and solely among Agent, the Purchasers and the Note Parties.

11.18 **Agency**.

(a) Each Purchaser hereby irrevocably appoints NovaQuest Pharma Opportunities Fund IV, L.P. to act on its behalf as the Agent and registrar hereunder and under the other Note Documents and authorizes the Agent to (i) take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, (ii) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to the Agent under such Note Documents, (iii) act as agent of the Purchasers for purposes of acquiring, holding, enforcing and perfecting all Liens granted by the Note Parties on the Collateral to secure any of the Secured Obligations and (iv) exercise such actions and powers as are reasonably incidental thereto.

(b) Each Purchaser agrees to indemnify the Agent in its capacity as such (to the extent not reimbursed by the Note Parties and without limiting the obligation of the Note Parties to do so), according to its respective Note Purchase Commitment percentages (based upon the total outstanding Note Purchase Commitments) in effect on the date on which indemnification is sought under this **Section 11.18**, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of, this Agreement, any of the other Note Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent under or in connection with any of the foregoing. The agreements in this Section shall survive the payment of the Notes and all other amounts payable hereunder.

(c) Agent in Its Individual Capacity. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not the Agent and the term "***Purchaser***" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each such Person serving as Agent hereunder in its individual capacity.

(d) Exculpatory Provisions. The Agent shall have no duties or obligations except those expressly set forth herein and in the other Note Documents. Without limiting the generality of the foregoing, the Agent shall not:

(i) be subject to any fiduciary or other implied duties, regardless of whether any default or any Event of Default has occurred and is continuing;

(ii) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Note Documents that the Agent is required to exercise as directed in writing by the Purchasers, provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Note Document or applicable law; and

(iii) except as expressly set forth herein and in the other Note Documents, have any duty to disclose, and the Agent shall not be liable for the failure to disclose, any information relating to the Note Parties or any of their respective Affiliates that is communicated to or obtained by any Person serving as the Agent or any of its Affiliates in any capacity.

(e) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Purchasers or as the Agent shall believe in good faith shall be necessary, under the circumstances or (ii) in the absence of its own gross negligence or willful misconduct.

(f) The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Note Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Note Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in **Section 4** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

(g) Reliance by Agent. Agent may rely, and shall be fully protected in acting, or refraining to act, upon, any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, bond or other paper or document that it has no reason to believe to be other than genuine and to have been signed or presented by the proper party or parties or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties. In the absence of its gross negligence or willful misconduct, Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to Agent and conforming to the requirements of this Agreement or any of the other Note Documents. Agent may consult with counsel, and any opinion or legal advice of such counsel shall be full and complete authorization and protection in respect of any action taken, not taken or suffered by Agent hereunder or under any Note Documents in accordance therewith. Agent shall have the right at any time to seek instructions concerning the administration of the Collateral from any court of competent jurisdiction. Agent shall not be under any obligation to exercise any of the rights or powers granted to Agent by this Agreement and the other Note Documents at the request or direction of the Purchasers unless Agent shall have been provided by the Purchasers with adequate security and indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction.

11.19 **Publicity**. None of the parties hereto nor any of its respective member businesses and Affiliates shall, without the other parties' prior written consent (which shall not be unreasonably withheld or delayed), publicize or use (a) the other party's name (including a brief description of the relationship among the parties hereto), logo or hyperlink to such other parties' web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "***Publicity Materials***"); (b) the names of officers of such other parties in the Publicity Materials; and (c) such other parties' name, trademarks, servicemarks in any news or press release concerning such party; provided, however, notwithstanding anything to the contrary herein, no such consent shall be required (i) to the extent necessary to comply with the requests of any regulators, legal requirements or laws applicable to such party, pursuant to any listing agreement with any national securities exchange (so long as such party provides prior notice to the other party hereto to the extent reasonably practicable) and (ii) to comply with **Section 11.13**.

11.20 **Service of Process**. Parent, Myovant England, Myovant Ireland, Myovant Switzerland and each Subsidiary that is organized outside of the United States of America shall each appoint C T Corporation System as its agent for the purpose of receiving and forwarding service of any process in the United States of America.

11.21 **Multiple Note Parties**.

(a) Note Party's Agent. Each Note Party hereby irrevocably appoints Parent as its agent, attorney-in-fact and legal representative for all purposes, including issuing Purchase Requests and receiving account statements and other notices and communications to Note Party (or any of them) from the Agent or any Purchaser. The Agent may rely, and shall be fully protected in relying, on any Purchase Request, disbursement instruction, report, information or any other notice or communication made or given by Parent, whether in its own name or on behalf of one or more of the other Note Parties, and the Agent shall not have any obligation to make any inquiry or request any confirmation from or on behalf of any other Note Party as to the binding effect on it of any such request, instruction, report, information, other notice or communication, nor shall the joint and several character of the Note Parties' obligations hereunder or any other Note Document be affected thereby.

(b) Waivers. Each Note Party hereby waives: (i) any right to require the Agent to institute suit against, or to exhaust its rights and remedies against, any other Note Party or any other person, or to proceed against any property of any kind which secures all or any part of the Secured Obligations, or to exercise any right of offset or other right with respect to any reserves, credits or deposit accounts held by or maintained with the Agent or any Indebtedness of the Agent or any Purchaser to any other Note Party, or to exercise any other right or power, or pursue any other remedy the Agent or any Purchaser may have; (ii) any defense arising by reason of any disability or other defense of any other Note Party or any endorser, co-maker or other person, or by reason of the cessation from any cause whatsoever of any liability of any other Note Party or any

endorser, co-maker or other person, with respect to all or any part of the Secured Obligations, or by reason of any act or omission of the Agent or others which directly or indirectly results in the discharge or release of any other Note Party or any other person or any Secured Obligations or any security therefor, whether by operation of law or otherwise; (iii) any defense arising by reason of any failure of the Agent to obtain, perfect, maintain or keep in force any Lien on, any property of any Note Party or any other person; (iv) any defense based upon or arising out of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any other Note Party or any endorser, co-maker or other person, including without limitation any discharge of, or bar against collecting, any of the Secured Obligations (including without limitation any interest thereon), in or as a result of any such proceeding. Until all of the Secured Obligations have been paid, performed, and discharged in full, nothing shall discharge or satisfy the liability of any Note Party hereunder except the full performance and payment of all of the Secured Obligations. If any claim is ever made upon the Agent for repayment or recovery of any amount or amounts received by the Agent in payment of or on account of any of the Secured Obligations, because of any claim that any such payment constituted a preferential transfer or fraudulent conveyance, or for any other reason whatsoever, and the Agent repays all or part of said amount by reason of any judgment, decree or order of any court or administrative body having jurisdiction over the Agent or any of its property, or by reason of any settlement or compromise of any such claim effected by the Agent with any such claimant (including without limitation the any other Note Party), then and in any such event, each Note Party agrees that any such judgment, decree, order, settlement and compromise shall be binding upon such Note Party, notwithstanding any revocation or release of this Agreement or the cancellation of any note or other instrument evidencing any of the Secured Obligations, or any release of any of the Secured Obligations, and each Note Party shall be and remain liable to the Agent and the Purchasers under this Agreement for the amount so repaid or recovered, to the same extent as if such amount had never originally been received by the Agent or any Purchaser, and the provisions of this sentence shall survive, and continue in effect, notwithstanding any revocation or release of this Agreement. Each Note Party hereby expressly and unconditionally waives all rights of subrogation, reimbursement and indemnity of every kind against any other Note Party, and all rights of recourse to any assets or property of any other Note Party, and all rights to any collateral or security held for the payment and performance of any Secured Obligations, including (but not limited to) any of the foregoing rights which any Note Party may have under any present or future document or agreement with any other Note Party or other person, and including (but not limited to) any of the foregoing rights which any Note Party may have under any equitable doctrine of subrogation, implied contract, or unjust enrichment, or any other equitable or legal doctrine.

(c) Consents. Each Note Party hereby consents and agrees that, without notice to or by any Note Party and without affecting or impairing in any way the obligations or liability of any Note Party hereunder, the Agent may, from time to time before or after revocation of this Agreement, do any one or more of the following in its sole and absolute discretion: (i) accept partial payments of, compromise or settle, renew, extend the time for the payment, discharge, or performance of, refuse to enforce, and release all or any parties to, any or all of the Obligations; (ii) grant any other indulgence to any Note Party or any other Person in respect of any or all of the Secured Obligations or any other matter; (iii) accept, release, waive, surrender, enforce, exchange, modify, impair, or extend the time for the performance, discharge, or payment of, any and all property of any kind securing any or all of the Secured Obligations or any guaranty of any or all of the Secured Obligations, or on which the Agent at any time may have a Lien, or refuse to enforce its rights or make any compromise or settlement or agreement therefor in respect of any or all of such property; (iv) substitute or add, or take any action or omit to take any action which results in the release of, any one or more other Note Parties or any endorsers of all or any part of the Secured Obligations, including, without limitation one or more parties to this Agreement, regardless of any destruction or impairment of any right of contribution or other right of any Note Party; (v) apply any sums received from any other Note Party, any guarantor, endorser, or co-signer, or from the disposition of any Collateral or security, to any Indebtedness whatsoever owing from such person or secured by such Collateral or security, in such manner and order as the Agent determines in its sole discretion, and regardless of whether such Indebtedness is part of the Secured Obligations, is secured, or is due and payable. Each Note Party consents and agrees that the Agent shall be under no obligation to marshal any assets in favor of any Note Party, or against or in payment of any or all of the Secured Obligations. Each Note Party further consents and agrees that the Agent shall have no duties or responsibilities whatsoever with respect to any property securing any or all of the Secured Obligations. Without limiting the generality of the foregoing, the Agent shall have no obligation to monitor, verify, audit, examine, or obtain or maintain any insurance with respect to, any property securing any or all of the Secured Obligations.

(d) Independent Liability. Each Note Party hereby agrees that one or more successive or concurrent actions may be brought hereon against such Note Party, in the same action in which any other Note Party may be sued or in separate actions, as often as deemed advisable by Agent. Each Note Party is fully aware of the financial condition of each other Note Party and is executing and delivering this Agreement based solely upon its own independent investigation of all matters pertinent hereto, and such Note Party is not relying in any manner upon any representation or statement of the Agent or any Lender with respect thereto. Each Note Party represents and warrants that it is in a position to obtain, and each Note Party hereby assumes full responsibility for obtaining, any additional information concerning any other Note Party's financial condition and any other matter pertinent hereto as such Note Party may desire, and such Note Party is not relying upon or expecting the Agent to furnish to it any information now or hereafter in the Agent's possession concerning the same or any other matter.

(e) Subordination. All Indebtedness of a Note Party or any Subsidiary of a Note Party now or hereafter arising held by another Note Party or Subsidiary of a Note Party is subordinated to the Secured Obligations and the Note Party holding the Indebtedness shall take all actions reasonably requested by Agent to effect, to enforce and to give notice of such subordination, or if the Indebtedness is held by a Subsidiary of a Note Party, such Note Party shall take all actions reasonably requested by Agent to cause the Subsidiary to effect, to enforce and to give notice of such subordination.

11.22 Swiss Limitation. Notwithstanding anything to the contrary in this Agreement and the other Note Documents, the obligations of Myovant Switzerland or any other Note Party incorporated in Switzerland (collectively, the "***Swiss Guarantor***") and the rights of Agent and the Purchasers under this Agreement and the other Note Documents are subject to the following limitations:

(a) If and to the extent a guarantee or security interest granted or any other obligations assumed by a Swiss Guarantor under this Agreement and the other Note Documents guarantees or secures obligations of its (direct or indirect) parent company (upstream security) or its sister companies (cross-stream security) (the "***Upstream or Cross-Stream Secured Obligations***") and if and to the extent using the proceeds from the enforcement of such guarantee, security interest or other obligation to discharge the Upstream or Cross-Stream Secured Obligations would constitute a repayment of capital (*Einlagerückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) under Swiss corporate law or would otherwise be restricted under Swiss law and practice then applicable, the proceeds from the enforcement of such guarantee, security interest or other obligation to be used to discharge the Upstream or Cross-Stream Secured Obligations shall be limited to the maximum amount of that Swiss Guarantor's freely disposable shareholder or quotaholder equity at the time of enforcement (the "***Maximum Amount***"); provided that such limitation is required under the applicable law at that time and that such limitation shall not free the Swiss Guarantor from its obligations in excess of the Maximum Amount, but merely postpone the performance date of those obligations until such time or times as performance is again permitted under then applicable law. This Maximum Amount of freely disposable shareholder or quotaholder equity shall be determined in accordance with Swiss law and applicable Swiss accounting principles, and, if and to the extent required by applicable Swiss law, shall be confirmed by the auditors of the Swiss Guarantor on the basis of an interim audited balance sheet as of that time.

(b) In respect of Upstream or Cross-Stream Secured Obligations, the Swiss Guarantor shall, as concerns the proceeds resulting from the enforcement of the guarantee or security interest granted or other obligations assumed under this Agreement and the other Note Documents, if and to the extent required by applicable law in force at the relevant time:

(i) procure that such enforcement proceeds can be used to discharge Upstream or Cross-Stream Secured Obligations without deduction of Swiss Withholding Tax by discharging the liability to such tax by notification pursuant to applicable law rather than payment of the tax;

(ii) if the notification procedure pursuant to sub-paragraph (i) above does not apply, deduct the Swiss Withholding Tax at such rate (currently thirty-five percent (35%) at the date of this Agreement) as is in force from time to time from any such enforcement proceeds used to discharge Upstream or Cross-Stream Secured Obligations, and pay, without delay, any such taxes deducted to the Swiss Federal Tax Administration;

(iii) notify the Agent that such notification or, as the case may be, deduction has been made, and provide the Agent with evidence that such a notification of the Swiss Federal Tax Administration has been made or, as the case may be, such taxes deducted have been paid to the Swiss Federal Tax Administration; and

(iv) in the case of a deduction of Swiss Withholding Tax, use its best efforts to ensure that any person, which is entitled to a full or partial refund of the Swiss Withholding Tax deducted from such enforcement proceeds, will, as soon as possible after such deduction, (A) request a refund of the Swiss Withholding Tax under applicable law (including tax treaties), and (B) pay to the Agent upon receipt any amount so refunded.

(c) The Swiss Guarantor shall promptly take and promptly cause to be taken any action, including the following:

(i) the passing of any shareholders' or quotaholders' resolutions, as may be the case, to approve the use of the enforcement proceeds, which may be required as a matter of Swiss mandatory law in force at the time of the enforcement of the security interest in order to allow a prompt use of the enforcement proceeds;

(ii) preparation of up-to-date audited balance sheet of the Swiss Guarantor;

(iii) confirmation of the auditors of the Swiss Guarantor that the relevant amount represents the Maximum Amount;

(iv) conversion of restricted reserves into profits and reserves freely available for the distribution as dividends (to the extent permitted by mandatory Swiss law);

(v) to the extent permitted by applicable law, Swiss accounting standards, write-up or realize any of its assets that are shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of realization, however, only if such assets are not necessary for the Swiss Guarantor's business (*nicht betriebsnotwendig*); and

(vi) all such other measures necessary to allow the Swiss Guarantor to use enforcement proceeds as agreed hereunder with a minimum of limitations.

SECTION 12 THE GUARANTEE

12.01 The Guarantee. The Guarantors hereby jointly and severally guarantee to the Purchasers and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Notes and all fees and other amounts from time to time owing to the Purchasers by Issuer under this Agreement or under any other Note Document and by any other Note Party under any of the Note Documents (but excluding any obligations under **Section 8**), in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "***Guaranteed Obligations***"). The Guarantors hereby further jointly and severally agree that if Issuer shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

12.02 Obligations Unconditional. The obligations of the Guarantors under **Section 12.01** are absolute and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of Issuer under this Agreement or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this **Section 12.02** that the obligations of the Guarantors hereunder shall be absolute and unconditional, joint and several, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of this Agreement or any other agreement or instrument referred to herein shall be done or omitted;

(c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or any other agreement or instrument referred to herein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

(d) any lien or security interest granted to, or in favor of, the Purchasers as security for any of the Guaranteed Obligations shall fail to be perfected.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Purchaser exhaust any right, power or remedy or proceed against Issuer under this Agreement or any other agreement or instrument referred to herein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

12.03 **Reinstatement**. The obligations of the Guarantors under this **Section 12** shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Issuer in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantors jointly and severally agree that they will indemnify the Purchasers on demand for all reasonable costs and expenses (including fees of counsel) incurred by the Purchasers in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

12.04 **Subrogation**. The Guarantors hereby jointly and severally agree that until the payment and satisfaction in full of all Guaranteed Obligations and the expiration and termination of the Note Purchase Commitments, they shall not exercise any right or remedy arising by reason of any performance by them of their guarantee in **Section 12.01**, whether by subrogation or otherwise, against Issuer or any other guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

12.05 **Remedies**. The Guarantors jointly and severally agree that, as between the Guarantors and the Purchasers, the obligations of Issuer under this Agreement and under the other Note Documents may be declared to be forthwith due and payable as provided in **Section 9** (and shall be deemed to have become automatically due and payable in the circumstances provided in **Section 9**) for purposes of **Section 12.01** notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Issuer and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Issuer) shall forthwith become due and payable by the Guarantors for purposes of **Section 12.01**.

12.06 **Instrument for the Payment of Money**. Each Guarantor hereby acknowledges that the guarantee in this **Section 12** constitutes an instrument for the payment of money, and consents and agrees that the Purchasers, at their sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to proceed by motion for summary judgment pursuant to Sections 437c-438 of the California Civil Code (Summary Judgments and Motions for Judgment on the Pleadings).

12.07 **Continuing Guarantee**. The guarantee in this **Section 12** is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

12.08 **Rights of Contribution**. The Guarantors hereby agree, as between themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any Guaranteed Obligations, each other Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Guaranteed Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this **Section 12.08** shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the other provisions of this **Section 12** and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations.

For purposes of this **Section 12.08**, (i) "***Excess Funding Guarantor***" means, in respect of any Guaranteed Obligations, a Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "***Excess Payment***" means, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "***Pro Rata Share***" means, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been Guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of Issuer and the Guarantors hereunder and under the other Note Documents) of all of the Guarantors, determined (A) with respect to any Guarantor that is a party hereto on the first Purchase Date, as of such Purchase Date, and (B) with respect to any other Guarantor, as of the date such Guarantor becomes a Guarantor hereunder.

12.09 **General Limitation on Guarantee Obligations**. In any action or proceeding involving any provincial, territorial or state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under **Section 12.01** would otherwise, taking into account the provisions of **Section 12.08**, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under **Section 12.01**, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Purchaser or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

12.10 **Certain Waivers**.

(a) To the extent permitted under applicable law, each Note Party hereby waives any rights and defenses that are or may become available to such Note Party by reason of Sections 2787 to 2855, inclusive, of the California Civil Code.

(b) To the extent permitted under applicable law, each Note Party waives all rights and defenses arising out of an election of remedies by the Purchasers, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed such Note Party's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise.

12.11 Guarantee Limitations – Ireland.

(a) The guarantee contained in this Section 12.11 does not apply to any liability to the extent that it would result in the guarantee (i) constituting unlawful financial assistance within the meaning of Section 82 of the Companies Act 2014 of Ireland or (ii) constituting a breach of Section 239 of the Companies Act 2014 of Ireland.

(b) Each party acknowledges that to the extent that the guarantee has been validated under Section 202 of the Companies Act 2014 of Ireland it shall not constitute unlawful financial assistance under Section 82 of the Companies Act 2014 of Ireland and to the extent that Section 243 of the Companies Act 2014 of Ireland applies it shall not constitute a breach of Section 239 of the Companies Act 2014 of Ireland (in each case to the extent applicable).

SECTION 13 REPRESENTATIONS AND WARRANTIES OF PURCHASER AND EQUITY PURCHASER

13.01 Authorization. The Purchasers and Equity Purchaser have full power and authority to enter into the Purchase Agreement. The Purchase Agreement, when executed and delivered by the Purchasers and Equity Purchaser, will constitute a valid and legally binding obligation of the Purchasers and Equity Purchaser, enforceable in accordance with its terms and conditions, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws of general application relating to or affecting the enforcement of creditors' rights generally or (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

13.02 Purchase Entirely for Own Account. The Purchasers are acquiring the Notes and Equity Purchaser is acquiring the Shares for investment for the Purchasers' and Equity Purchaser's own account, respectively, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof. Neither the Purchasers nor Equity Purchaser has a present intention of selling, granting any participation in, or otherwise distributing the same. The Purchasers and Equity Purchaser further represent that the Purchasers and Equity Purchaser do not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Notes or Shares, respectively. Neither the Purchasers nor Equity Purchaser has been formed for the specific purpose of acquiring the Notes or Shares, respectively.

13.03 **Disclosure of Information**. The Purchasers and Equity Purchaser have had an opportunity to discuss Parent's business, management, financial affairs and the terms and conditions of the offering of the Shares with Parent's management.

13.04 **Restricted Securities**. The Purchasers and Equity Purchaser understand that the Notes and Shares, respectively, have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act that depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Purchasers' and Equity Purchaser's representations as expressed in this Agreement. The Purchasers and Equity Purchaser understand that the Notes and Shares are "restricted securities" under applicable United States federal and state securities laws and that, pursuant to these laws, the Purchaser and Equity Purchaser must hold the Notes and Shares, respectively, indefinitely unless they are registered with the SEC and qualified by state authorities or an exemption from such registration and qualification requirements is available. The Purchasers and Equity Purchaser acknowledge that Parent has no obligation to register or qualify the Notes or Shares, respectively. The Purchasers and Equity Purchaser further acknowledge that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale and the holding period for the Notes or Shares, respectively, and on requirements relating to Parent that are outside of the Purchasers' and Equity Purchaser's control, and that Parent is under no obligation and may not be able to satisfy.

13.05 **Legends**. The Purchasers and Equity Purchaser understand that the Notes and the Shares may bear any one or more of the following legends: (a) any legend required by the securities laws of any state to the extent such laws are applicable to the Notes or Shares represented by the certificate so legended, (b) with respect to the Shares, the following legend:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO PARENT THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED."

and (c) with respect to the Notes, the following legend:

"THIS NOTE AND THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO EACH INTERCREDITOR AGREEMENT ENTERED INTO FROM TIME TO TIME BETWEEN THE AGENT AND THE PERMITTED SENIOR DEBT REPRESENTATIVES PARTY THERETO, AND THE TERMS OF THIS NOTE, INCLUDING WITHOUT LIMITATION ANY RIGHTS OF ENFORCEMENT HEREUNDER, ARE SUBJECT TO THE TERMS OF SUCH INTERCREDITOR AGREEMENTS, AND IF ANY CONFLICT SHALL EXIST BETWEEN THE TERMS HEREUNDER AND THE TERMS OF SUCH INTERCREDITOR AGREEMENTS, THE TERMS OF SUCH INTERCREDITOR AGREEMENTS WILL GOVERN AND CONTROL.

THIS NOTE AND SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO, COMPLIANCE WITH RULE 144 UNDER SUCH ACT OR (OTHER THAN FOR A TRANSFER TO AN AFFILIATE) AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER, OR IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF, SUCH ACT."

13.06 **Accredited and Sophisticated Purchaser**. Each Purchaser and Equity Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D of the Securities Act. Each Purchaser and Equity Purchaser is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Notes and Shares, respectively; provided that to the extent a Purchaser or an Equity Purchaser has been formed for the foregoing purpose, it is hereby making the respective representations under this Section 13 with respect to each of its investors.

13.07 **No General Solicitation**. None of the Purchasers, Equity Purchaser nor any of their respective officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or finder (a) engaged in any general solicitation with respect to the offer and sale of the Notes or Shares, as applicable , or (b) published any advertisement in connection with the offer and sale of the Notes or Shares, as applicable.

SECTION 14 INTERCREDITOR AGREEMENT

(a) The Agent and the Purchasers acknowledge that to the extent any Note Party incurs any Permitted Senior Debt, the priority of Liens granted hereunder and the rights of the parties hereto shall be governed by the applicable Intercreditor Agreement and the Agent and the Purchasers agree to be bound by the terms thereof.

(b) Notwithstanding anything herein to the contrary, (i) the priority of the Liens and security interests granted to the Agent pursuant to this Agreement are expressly subject to any applicable Intercreditor Agreement and (ii) the exercise of any right or remedy by the Agent or any Purchaser hereunder is subject to the limitations and provisions of such Intercreditor Agreement. In the event of any conflict between the terms of any Intercreditor Agreement and the terms of this Agreement regarding the priority of the Liens and the security interests granted to the Agent or exercise of any rights or remedies by the Agent, the terms of such Intercreditor Agreement shall govern.

(c) Notwithstanding anything herein to the contrary, to the extent that any Note Party is required hereunder to deliver the Collateral to, or the possession or control by, the Agent pursuant to the terms of this Agreement or any Note Document, such Note Party's obligations hereunder with respect to such delivery, possession or control shall be deemed to be complied with and satisfied by the delivery of the Collateral to, or the possession or control by, the Permitted Senior Debt Representative or any other party in accordance with the terms of such Permitted Senior Debt, the applicable Intercreditor Agreement or any other document entered into in connection therewith.

(d) Any reference in this Agreement to a "first priority security interest" or words of similar effect in describing the security interests created hereunder shall be understood to refer to such priority subject to the claims of the Permitted Senior Debt Representative in the applicable Intercreditor Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, Note Parties, Agent and Purchasers have duly executed and delivered this Securities Purchase Agreement as of the day and year first above written.

ISSUER:

MYOVANT SCIENCES LTD.

Signature:	/s/ Marianne L. Romeo
Print Name:	Marianne L. Romeo
Title:	Head, Global Transactions & Risk Management

GUARANTORS:

MYOVANT HOLDINGS LIMITED

Signature:	/s/ Marianne L. Romeo
Print Name:	Marianne L. Romeo
Title:	Director
in the presence of:	
Witness Signature:	/s/ Kathleen S. Valdez
Print Name:	Kathleen S. Valdez
Witness Address:	25 Southcourt Ave., Paget, Bermuda

MYOVANT SCIENCES GMBH

Signature:	/s/ Mark Altmeyer
Print Name:	Mark Altmeyer
Title:	Manager

SIGNED
for and on behalf of
MYOVANT SCIENCES IRELAND LIMITED
by its lawfully appointed attorney

Eoin O'Neill

Print name of Attorney

in the presence of:

/s/ David Pierce	/s/ Eoin O'Neill
Witness signature	Signature of Attorney

David Pierce

Print Name

South Bank House, Barrow St., Dublin 4

Print Address

Director

Witness Occupation

MYOVANT SCIENCES, INC.

Signature:	/s/ Matthew Lang
Print Name:	Matthew Lang
Title:	General Counsel & Corporate Secretary

AGENT:

NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P.

By: NQ POF IV GP, L.P., its general partner

By: NQ POF IV GP, LTD, its general partner

Signature: /s/ John L. Bradley, Jr.
Print Name: John L. Bradley, Jr.
Title: Director

PURCHASERS:

NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P.

By: NQ POF IV GP, L.P., its general partner

By: NQ POF IV GP, LTD, its general partner

Signature: /s/ John L. Bradley, Jr.
Print Name: John L. Bradley, Jr.
Title: Director

NOVAQUEST PHARMA OPPORTUNITIES FUND IV (PARALLEL), L.P.

By: NQ POF IV GP, L.P., its general partner

By: NQ POF IV GP, LTD, its general partner

Signature: /s/ John L. Bradley, Jr.
Print Name: John L. Bradley, Jr.
Title: Director

Table of Exhibits and Schedules

Exhibit A: Joinder Agreement
Exhibit B: Form of Note
Exhibit C: Compliance Certificate
Exhibit D: Additional Representations and Warranties of Parent for Equity Closings
Exhibit E: Customary Subordination Terms
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Schedule 1.01(a) Clinical Trials
Schedule 1.01(b) Commitments

EXHIBIT A

FORM OF JOINDER AGREEMENT

This Joinder Agreement (the "***Joinder Agreement***") is made and dated as of [ ], 20[ ], and is entered into by and between _____, a _____ corporation ("***Subsidiary***"), and NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P., a Cayman Islands exempted limited partnership (as "***Agent***").

RECITALS

A. Subsidiary's Affiliate, Myovant Sciences Ltd. ("***Parent***") has entered/desires to enter into that certain Securities Purchase Agreement dated as of October 16, 2017, with Parent, each Guarantor (as defined in the Purchase Agreement), the several banks and other financial institutions or entities from time to time party thereto as purchasers (each a "***Purchaser***" and, collectively, the "***Purchasers***") and the Agent, as such agreement may be amended, restated or modified (the "***Purchase Agreement***"), together with the other agreements executed and delivered in connection therewith;

B. Subsidiary acknowledges and agrees that it will benefit both directly and indirectly from Parent's execution of the Purchase Agreement and the other agreements executed and delivered in connection therewith;

AGREEMENT

NOW THEREFORE, Subsidiary and Agent agree as follows:

1. The recitals set forth above are incorporated into and made part of this Joinder Agreement. Capitalized terms not defined herein shall have the meaning provided in the Purchase Agreement.

2. By signing this Joinder Agreement, Subsidiary shall be bound by the terms and conditions of the Purchase Agreement the same as if it were a Guarantor (as defined in the Purchase Agreement) under the Purchase Agreement, *mutatis mutandis*, provided, however, that (a) with respect to (i) **Section 5.01** of the Purchase Agreement, Subsidiary represents that it is an entity duly organized, legally existing and in good standing under the laws of [ ], (b) neither Agent nor the Purchasers shall have any duties, responsibilities or obligations to Subsidiary arising under or related to the Purchase Agreement or the other Note Documents, (c) that if Subsidiary is covered by Parent's insurance, Subsidiary shall not be required to maintain separate insurance or comply with the provisions of **Sections 6.01** and **6.02** of the Purchase Agreement, and (d) that as long as Parent satisfies the requirements of **Section 7.01** of the Purchase Agreement, Subsidiary shall not have to provide Agent separate Financial Statements. To the extent that Agent or any Purchaser has any duties, responsibilities or obligations arising under or related to the Purchase Agreement or the other Note Documents, those duties, responsibilities or obligations shall flow only to Parent and not to Subsidiary or any other Person or entity. By way of example (and not an exclusive list): (i) Agent's providing notice to Parent in accordance with the Purchase Agreement or as otherwise agreed among Parent, Agent and the Purchasers shall be deemed provided to Subsidiary; (ii) a Purchase Request by Parent shall be deemed a Purchase Request by Subsidiary; and (iii) Subsidiary shall have no right to issue a Purchase Request or make any other demand on the Purchasers.

3. Subsidiary agrees not to certificate its equity securities without Agent's prior written consent, which consent may be conditioned on the delivery of such equity securities to Agent in order to perfect Agent's security interest in such equity securities.

4. Subsidiary acknowledges that it benefits, both directly and indirectly, from the Purchase Agreement, and hereby waives, for itself and on behalf on any and all successors in interest (including without limitation any assignee for the benefit of creditors, receiver, bankruptcy trustee or itself as debtor-in- possession under any bankruptcy proceeding) to the fullest extent provided by law, any and all claims, rights or defenses to the enforcement of this Joinder Agreement on the basis that (a) it failed to receive adequate consideration for the execution and delivery of this Joinder Agreement or (b) its obligations under this Joinder Agreement are avoidable as a fraudulent conveyance.

5. As security for the prompt, complete and indefeasible payment when due (whether on the payment dates or otherwise) of all the Secured Obligations, Subsidiary grants to Agent a security interest in all of Subsidiary's right, title, and interest in and to the Collateral.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SUBSIDIARY:

By: _____
Name: _____
Title: _____

AGENT:
NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P.

By: NQ POF IV GP, L.P., its general partner

By: NQ POF IV GP, LTD, its general partner

Signature: _____
Print Name: John L. Bradley, Jr.
Title: Director

EXHIBIT B

NOTE

FORM OF NOTE

THIS NOTE IS SUBJECT TO EACH INTERCREDITOR AGREEMENT ENTERED INTO FROM TIME TO TIME BETWEEN THE AGENT AND THE PERMITTED SENIOR DEBT REPRESENTATIVES PARTY THERETO, AND THE TERMS OF THIS NOTE, INCLUDING WITHOUT LIMITATION ANY RIGHTS OF ENFORCEMENT HEREUNDER, ARE SUBJECT TO THE TERMS OF SUCH INTERCREDITOR AGREEMENTS, AND IF ANY CONFLICT SHALL EXIST BETWEEN THE TERMS HEREUNDER AND THE TERMS OF SUCH INTERCREDITOR AGREEMENTS, THE TERMS OF SUCH INTERCREDITOR AGREEMENTS WILL GOVERN AND CONTROL.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO, COMPLIANCE WITH RULE 144 UNDER SUCH ACT OR (OTHER THAN FOR A TRANSFER TO AN AFFILIATE) AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER, OR IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF, SUCH ACT.

THIS NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT" WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND THIS LEGEND IS REQUIRED BY SECTION 1275(c) OF THE CODE. UPON WRITTEN REQUEST, BORROWER WILL PROVIDE TO ANY HOLDER OF THE NOTE (1) THE ISSUE PRICE AND DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE AND (3) THE ORIGINAL YIELD TO MATURITY OF THE NOTE. SUCH REQUEST SHOULD BE SENT TO BORROWER AT (650) 238-0241.

SENIOR SECURED NOTE

$**[●]** [●], 20[●]
Series/Tranche Number: [●]
CUSIP No.: [●]

FOR VALUE RECEIVED, **MYOVANT SCIENCES, LTD.**, an exempted company incorporated and organized under the laws of Bermuda (the "Issuer"), hereby promises to pay to **[●]**, a [●] (the "Purchaser"), at its offices located at **[●]** (or at such other place or places as the Purchaser may designate), at the times and in the manner provided in the Securities Purchase Agreement, dated as of October 16, 2017 (as amended, modified, restated or supplemented from time to time, the "Purchase Agreement"), among the Issuer, the Purchasers from time to time parties thereto, and NovaQuest Pharma Opportunities Fund IV, L.P., a Cayman Islands exempted limited partnership, as agent for the Purchasers, the principal sum of **[●]** ($**[●]**.00), under the terms and conditions of this senior secured note (this "Note"). The defined terms in the Purchase Agreement are used herein with the same meaning. The Issuer also promises to pay interest on the aggregate unpaid principal amount of this Note at the rates applicable thereto from time to time as provided in the Purchase Agreement.

This Note is one of the Notes referred to in the Purchase Agreement and is issued to evidence the purchase thereof by the Purchaser pursuant to the Purchase Agreement. All of the terms, conditions and covenants of the Purchase Agreement are expressly made a part of this Note by reference in the same manner and with the same effect as if set forth herein at length, and any holder of this Note is entitled to the benefits of and remedies provided in the Purchase Agreement and the other Note Documents. Reference is made to the Purchase Agreement for provisions relating to the interest rate, maturity, payment, prepayment and acceleration of this Note.

In the event of an acceleration of the maturity of this Note pursuant to the Purchase Agreement, this Note shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by the Issuer.

In the event this Note is not paid when due at any stated or accelerated maturity, the Issuer agrees to pay, in addition to the principal and interest, all costs of collection, including reasonable attorneys' fees.

This Note and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Note shall be governed by, and construed in accordance with, the law of the State of New York. The Issuer hereby submits to the nonexclusive jurisdiction and venue of the courts of the State of New York sitting in the City and County of New York and of the United States District Court of the Southern District of New York, and any appellate court from any thereof.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed by its duly authorized corporate officer as of the day and year first above written.

ISSUER:
MYOVANT SCIENCES LTD.
By:
Title:

EXHIBIT C

COMPLIANCE CERTIFICATE

Date: _____, 20[ ]

NovaQuest Pharma Opportunities Fund IV, L.P. (as "***Agent***")
Attention: Matthew Bullard
4208 Six Forks Road, Suite 920
Raleigh, NC 27609

Reference is made to that certain Securities Purchase Agreement dated as of October 16, 2017 and the Note Documents (as defined therein) entered into in connection with such Securities Purchase Agreement all as may be amended from time to time (hereinafter referred to collectively as the "***Purchase Agreement***") by and among Myovant Sciences, Ltd., each Guarantor (as defined in the Purchase Agreement), the several banks and other financial institutions or entities from time to time party thereto (each a "***Purchaser***" and collectively, the "***Purchasers***") and NovaQuest Pharma Opportunities Fund IV, L.P., as agent for the Purchasers (the "***Agent***") and Myovant Sciences Ltd. (the "***Parent***") as Issuer and each Guarantor party thereto. All capitalized terms not defined herein shall have the same meaning as defined in the Purchase Agreement.

The undersigned is an Officer of Parent, knowledgeable of Parent's financial matters, and is authorized to provide certification of information regarding Parent; hereby certifies, in such capacity, that in accordance with the terms and conditions of the Purchase Agreement, except as set forth below, each Note Party is in compliance for the period ending _____ with all covenants, conditions and terms[, including the financial covenant calculation of the Minimum Cash Amount set forth below][1]. The undersigned further certifies the attached financial statements are prepared in accordance with GAAP or IFRS, as applicable (except for the absence of footnotes with respect to unaudited financial statement and subject to normal year-end adjustments) and are consistent from one period to the next except as explained below.

Exceptions:

REPORTING REQUIREMENT	REQUIRED	CHECK IF ATTACHED
Interim Financial Statements	Quarterly within 45 days	
Audited Financial Statements	FYE within 90 days	

[Minimum Cash Amount Calculation:

[1] To be included in Certificates delivered on and after the Amortization Date.

A. Aggregate principal amount of Notes outstanding as of the date of this Certificate:	$[__]
B. Months remaining until Stated Maturity Date	[__]
C. Current quarterly amortization of principal [A / B]:	$[__]
D. Amount required by **Section 7.16** of the Credit Agreement [C * 4]:	$[__]
E. Unrestricted Cash	$[__]
Compliance [E > D?]	[Yes] [No]

][2]

The undersigned hereby confirms that the Note Parties are in compliance with the applicable covenants contained in the Purchase Agreement[, including **Section 7.16** of the Purchase Agreement ,] as of the date first set forth above.

Very Truly Yours,

MYOVANT SCIENCES LTD.

By: _____

Name:
Its:

[2] To be included in Certificates delivered on and after the Amortization Date.

EXHIBIT D

ADDITIONAL REPRESENTATIONS AND WARRANTIES OF PARENT FOR EQUITY CLOSINGS

Capitalized terms used, but not defined in this **Exhibit D**, have the meanings given to them in that certain Securities Purchase Agreement, dated October 16, 2017 (the "***Purchase Agreement***"), to which this **Exhibit D** is attached and forms a part. Except as set forth in the disclosure schedules delivered by Parent to Equity Purchaser (the "***Disclosure Schedules***"), which Disclosure Schedules shall qualify any representation made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, Parent hereby makes the following representations and warranties to Equity Purchaser as of the date of each Equity Closing (unless the representations and warranties are as of a specific date, in which case they shall be accurate as of such date).

1.1 Authorization; Enforcement; Conflicts. Parent's consummation of the Equity Purchase (i) has been duly authorized by all necessary corporate action of Parent, (ii) will not result in the creation or imposition of any Lien upon the Collateral, other than Permitted Liens and Liens created by the Purchase Agreement and the other Note Documents, (iii) does not violate any provisions of Parent's certificate of incorporation, memorandum of association, bye-laws, or any law, regulation, order, injunction, judgment, decree or writ to which Parent is subject, and (iv) does not violate any material contract or material agreement of Parent, except as otherwise disclosed pursuant to the Purchase Agreement or as would not reasonably be expected to have a Material Adverse Effect.

1.2 Filings, Consents and Approvals. Assuming the accuracy of the representations made by the Equity Purchaser in Section 13 of the Purchase Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local Governmental Authority is required on the part of Parent in connection with the Equity Purchase except for filings pursuant to Regulation D of the Securities Act, and applicable state securities laws, which have been made or will be made in a timely manner.

1.3 Issuance of the Shares. The Shares, when issued, sold and delivered in accordance with the terms and conditions and for the consideration set forth in Section 8 of the Purchase Agreement, will be duly authorized, validly issued, fully paid and nonassessable (which term means when used herein that no further sums are required to be paid by the holders thereof in connection with the issue of such shares) and free of restrictions on transfer other than restrictions on transfer under the Purchase Agreement, applicable state and federal securities laws and Liens or encumbrances created by or imposed by Equity Purchaser. The issuance of the Shares will not be subject to any preemptive or similar rights that have not been validly waived. Assuming the accuracy of the representations of Equity Purchaser in Section 13 of the Purchase Agreement and subject to filings described in **Section 1.2** above, the offer, sale and issuance of the Shares to be issued pursuant to and in conformity with the terms and conditions of **Section 8** the Purchase Agreement, will comply with all applicable federal and state securities laws. The issuance and sale of the Shares hereunder does not contravene the rules and regulations of the Principal Market or exchange on which the Shares are listed or quoted for trading.

1.4 Capitalization. The capitalization of Parent is as set forth in the SEC Reports (as defined below) in each case as of the dates set forth therein. Except as otherwise disclosed pursuant to the Purchase Agreement or in the SEC Reports, (a) no Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Purchase Agreement, (b) the issuance and sale of the Common Shares under the Purchase Agreement will not obligate Parent or any Parent Subsidiary to issue Common Shares or other securities to any Person (other than Equity Purchaser) and will not result in a right of any holder of Parent securities to adjust the exercise, conversion, exchange or reset price under any of such securities and (c) there are no stockholders agreements, voting agreements or other similar agreements with respect to Parent's shares to which Parent is a party or, to the knowledge of Parent, between or among any of Parent's shareholders.

1.5 SEC Reports; Financial Statements. Parent has filed all reports under Section 13 or 15(d) of the Exchange Act during the 12 months preceding the date hereof (or such shorter period as the Parent was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "***SEC Reports***"), other than Form 8-K reports, required to have been filed. None of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Parent has never been an issuer subject to Rule 144(i) under the Securities Act.

1.6 Certain Fees. No brokerage or finder's fees or commissions are or will be payable by Parent to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the Equity Purchase. The Equity Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the Equity Purchase.

1.7 Listing and Maintenance Requirements. The Common Shares are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and Parent has taken no action designed to terminate, or which to its knowledge is likely to have the effect of terminating, the registration of the Common Shares under the Exchange Act nor has Parent received any notification that the Commission is contemplating terminating such registration. Parent has not, in the 12 months preceding the date hereof, received notice from the New York Stock Exchange (or other Principal Market on which the Common Shares are listed) to the effect that Parent is not in compliance with the listing or maintenance requirements of such exchange in any material respect that would reasonably be expected to result in a delisting from such exchange. Parent is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

1.8 No Integrated Offering. Assuming the accuracy of the Equity Purchasers' representations and warranties set forth in Section 13 of the Purchase Agreement, neither Parent, any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would reasonably be expected to cause the issuance of the Shares to Equity Purchaser to be integrated with prior offerings by Parent and as a result require (a) the registration of the Shares under the Securities Act, or (b) shareholder approval under any applicable rules of the NYSE (or other Principal Market on which the Common Shares are listed).

1.9 No General Solicitation. Neither Parent nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or a finder (i) engaged in any general solicitation with respect to the offer and sale of the Shares, or (ii) published any advertisement in connection with the offer and sale of the Shares.

1.10 Regulation M Compliance. Parent has not, and to its knowledge no one acting on its behalf has (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of Parent to facilitate the sale or resale of any of the Shares or (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Shares.

1.11 No Disqualification Events. With respect to the Shares to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of Parent, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of Parent participating in the offering hereunder, any beneficial owner of 20% or more of Parent's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with Parent in any capacity at the time of sale (each, an "***Issuer Covered Person***" and, together, "***Issuer Covered Persons***") is subject to any of the "***Bad Actor***" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "***Disqualification Event***"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). Parent has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event and will notify the Equity Purchaser in writing, prior to the date of any Equity Closing, of (i) any Disqualification Event relating to any Issuer Covered Person, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person. Parent has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to Equity Purchaser a copy of any disclosures provided thereunder.

EXHIBIT E

CUSTOMARY SUBORDINATION TERMS

The payment of the principal, accrued and unpaid interest, if any, and all other amounts due and payable with respect to the issuance of unsecured convertible or exchangeable notes issued by Myovant Sciences Ltd., an exempted company incorporated and organized under the laws of Bermuda (the "***Parent***") to the holders thereof (the ***"Holders"***) in an aggregate principal amount of not more than Two Hundred Fifty Million Dollars ($250,000,000) (the "***Convertible Notes***") as permitted by the terms of the Purchase Agreement (as defined below), is subordinated to the prior payment in full, in cash or other payment satisfactory to the Purchasers, of all existing and future senior indebtedness with respect to the Notes (the ***"Designated Senior Indebtedness"***) issued by the Parent to the Purchasers (the "***Purchasers***") from time to time pursuant to the terms of the Securities Purchase Agreement dated as of October 16, 2017 (the "***Purchase Agreement***"). Capitalized terms used but not defined herein shall have the meaning provided in the Purchase Agreement.

If the Parent is dissolved, wound-up, liquidated or reorganized, or if the Parent is the subject of any bankruptcy, insolvency or reorganization, the Parent shall pay the Purchasers of the Designated Senior Indebtedness in full in cash or other payment satisfactory to the Purchasers before the Parent pays the Holders of the Convertible Notes.

If the Convertible Notes are accelerated or subject to repurchase by the Holders, the Parent must pay the Purchasers of the Designated Senior Indebtedness in full all amounts due and owing under the Purchase Agreement before the Parent pays the Holders of the Convertible Notes.

The Parent may not make any payment on or distribution to any Holder or any agent of such Holder in respect of such Holder's obligations under the Convertible Notes or repurchase, redeem or otherwise acquire the Convertible Notes prior to the date that is one hundred eighty-one (181) days after the Stated Maturity Date.

As a result of these subordination provisions, in the event of a bankruptcy, insolvency or reorganization of the Parent, the Purchasers of the Designated Senior Indebtedness may receive more, ratably, and the Holders of the Convertible Notes may receive less, ratably, than the Parent's other creditors. These subordination provisions will not prevent the occurrence of any event of default under the Convertible Notes.

If either the Holder of a Convertible Note or its agent receives any payment of any obligations with respect to the Convertible Notes when:

- the payment is prohibited by these subordination provisions or the terms of the Purchase Agreement; and
- the Holder of the Convertible Note or its agent has actual knowledge that the payment is prohibited,

the Holder of the Convertible Note or its agent, as the case may be, will hold the payment in trust for the benefit of the Purchasers of the Designated Senior Indebtedness. Within ten (10) business days after receipt of any such payment, the Holder of the Convertible Note or its agent, as the case may be, will deliver the amounts held in trust to the Agent for the benefit of the Purchasers of the Designated Senior Indebtedness.

Notwithstanding anything to the contrary above, the issuance and delivery of the common shares of the Parent upon conversion of any Convertible Note (and cash in lieu of fractional shares) in accordance with the terms thereof will be deemed not to constitute a payment on or distribution in respect of the Parent's obligations under the Convertible Notes or any repurchase, redemption or other acquisition of any Convertible Note.

EXHIBIT F

FORM OF PRICING SUPPLEMENT

MYOVANT SCIENCES LTD.

(registered in Bermuda as an exempted company limited by shares with registered number 51163)

Amount of Notes: $[●]

Terms used herein shall be deemed to be defined as contained in the terms and conditions set out in the securities purchase agreement dated October 16, 2017 (the "***Securities Purchase Agreement***") and the Issuer's Note issuance programme established thereby.

Notes must be read in conjunction with the terms and conditions set out in the Securities Purchase Agreement.

The Notes shall be senior secured notes and shall be issued subject to the terms and conditions and the provisions of the Securities Purchase Agreement. A copy of the Securities Purchase Agreement is available for inspection from the registered office of the Issuer.

The Notes designated by this Pricing Supplement shall have the following terms which shall complete, modify and amend the terms and conditions set out in the Securities Purchase Agreement.

1. Issuer:	Myovant Sciences Ltd.
2. Guarantors:	As per the Securities Purchase Agreement, [and in addition [●]]
3. Series/Tranche Number:	[●]
4. CUSIP No.:	[●]
5. Denomination:	USD
6. Aggregate Nominal Amount:	[●]
7. Issue Date:	[●]
8. Interest Payment Dates:	As per the Securities Purchase Agreement, first interest payment date of [●]
9. Stated Maturity Date:	October, 16 2023
10. Stated Interest Rate:	15%
11. Paying Agent:	The Issuer
12. Collateral:	As per the Securities Purchase Agreement.
13. Fees payable in connection with listing:	[●]

SCHEDULE 1.01(a)

CLINICAL STUDIES

Clinical Study	**Indication**
1. LIBERTY 1: Efficacy & Safety Study of Relugolix in Women With Heavy Menstrual Bleeding Associated With Uterine Fibroids – Clinical Trials.gov Identifier: NCT03049735	Heavy menstrual bleeding associated with uterine fibroids
2. LIBERTY 2: Efficacy & Safety Study of Relugolix in Women With Heavy Menstrual Bleeding Associated With Uterine Fibroids – Clinical Trials.gov Identifier: NCT03103087	Heavy menstrual bleeding associated with uterine fibroids
3. SPIRIT 1: Efficacy and Safety Study of Relugolix in Women With Endometriosis-Associated Pain – Clinical Trials.gov Identifier: NCT03204318	Endometriosis-associated pain
4. SPIRIT 2: Efficacy and Safety Study of Relugolix in Women With Endometriosis-Associated Pain – Clinical Trials.gov Identifier: NCT03204331	Endometriosis-associated pain
5. Study to Evaluate the Safety and Efficacy of Relugolix in Men With Advanced Prostate Cancer (HERO) – Clinical Trials.gov Identifier: NCT03085095	Advanced prostate cancer

SCHEDULE 1.01(b)

COMMITMENTS

PURCHASER	NOTE PURCHASE COMMITMENT
NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P.	$54,766,351.80
NOVAQUEST PHARMA OPPORTUNITIES FUND IV (PARALLEL), L.P.	$5,233,648.20
TOTAL COMMITMENTS	$60,000,000.00

Exhibit 10.3

EQUITY PURCHASE AGREEMENT

This EQUITY PURCHASE AGREEMENT (this "***Agreement***") is made and dated as of October 16, 2017, and is entered into by and between Myovant Sciences Ltd., an exempted company incorporated and organized under the laws of Bermuda ("***Issuer***") and NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P., a Cayman Islands exempted limited partnership, and NOVAQUEST PHARMA OPPORTUNITIES FUND IV (PARALLEL), L.P., a Cayman Islands exempted limited partnership (collectively, "***Purchaser***").

RECITALS

A. Issuer has entered into a Securities Purchase Agreement with Purchaser and the other parties thereto on or about the date hereof (the "***Securities Purchase Agreement***");

B. In connection with the Securities Purchase Agreement and subject to the terms and conditions set forth in this Agreement, Issuer wishes to issue and sell to Purchaser, and Purchaser wishes to buy from Issuer, up to Twenty Million Dollars ($20,000,000) of Common Shares. The Common Shares to be purchased hereunder are referred to herein as the "***Purchase Shares***."

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Issuer and Purchaser hereby agree as follows:

SECTION 1 DEFINITIONS AND RULES OF CONSTRUCTION

1.01 Definitions. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Securities Purchase Agreement. The following capitalized terms shall have the following meanings herein:

"***Agreement***" has the meaning given to it in the preamble to this Agreement.

"***Claims***" has the meaning given to it in **Section 10.09**.

"***Confidential Information***" has the meaning given to it in **Section 10.10**.

"***Disqualification Event***" has the meaning given to it in **Section 5.12.**

"***Effective Date***" has the meaning given to it in **Section 2.01(a)**.

"***Equity Commitment Termination Date***" means the earlier of (a) (x) December 31, 2018 or (y) December 31, 2019 upon the request of the Issuer subject to the consent of the Purchaser, and (b) the date on which a Study Product Failure occurs.

"***Equity Shortfall Amount***" has the meaning given to it in **Section 2.01(a)**.

"***Event of Default***" has the meaning given to it in **Section 8**.

"***Exchange Cap***" has the meaning given to it in **Section 2.02**.

"***Issuer***" has the meaning given to it in the preamble to this Agreement.

"***Issuer Covered Person***" has the meaning given to it in **Section 5.12**.

"***Issuer Termination Notice***" has the meaning given to it in **Section 9.02**.

"***Indemnified Person***" has the meaning given to it in **Section 6**.

"***Liabilities***" has the meaning given to it in **Section 6**.

"***Material Adverse Effect***" means (a) the occurrence of a Study Product Failure, or (b) a material adverse effect upon: (i) the business, operations, properties, assets or financial condition of Issuer and its Subsidiaries, taken as a whole; or (b) the ability of the Issuer to perform its obligations under this Agreement.

"***Maximum Purchase Amount***" means Twenty Million and No/100 Dollars ($20,000,000).

"***Minimum Purchase Amount***" has the meaning given to it in **Section 2.01(a)**.

"***Minimum Purchase Date***" has the meaning given to it in **Section 2.01(a)**.

"***MNPI Notice***" has the meaning given to it in **Section 7.03**.

"***Principal Market***" means the NYSE and any other principal market or exchange on which the Common Shares are listed or quoted for trading.

"***Publicity Materials***" has the meaning given to it in **Section 10.14**.

"***Purchase Date***" means, with respect to any purchase made pursuant to **Section 2.01(a)** of this Agreement, the Business Day on which Purchaser receives by 5:00 p.m., Eastern time, of such Business Day, a valid Purchase Notice that Purchaser is to buy Purchase Shares pursuant to **Section 2.01(a)** of this Agreement.

"***Purchase Notice***" means an irrevocable written notice from Issuer to Purchaser directing Purchaser to buy such applicable amount of Purchase Shares, pursuant to **Section 2.01(a)** of this Agreement, at the applicable Purchase Price as specified by Issuer therein on the specified Purchase Date, in substantially the form of **Exhibit A** hereto.

"***Purchase Price***" means, for each share of Common Stock, (A) the average of the VWAP per Common Share for each Trading Day in the five (5) consecutive Trading Days immediately prior to the relevant Purchase Date multiplied by (B) 105%.

"***Purchase Shares***" has the meaning given to it in the recitals to this Agreement.

"***Purchaser Termination Notice***" has the meaning given to it in **Section 9.01**.

"***Purchaser***" has the meaning given to it in the preamble to this Agreement.

"***Restricted Person***" has the meaning given to it in **Section 7.03**.

"***SEC Reports***" has the meaning given to it in **Section 5.06**.

"***Securities Purchase Agreement***" has the meaning given to it in the recitals to this Agreement.

"***Subsidiary***" means an entity, whether corporate, partnership, limited liability company, joint venture or otherwise, in which Issuer owns or controls 50% or more of the outstanding voting securities.

"***Trading Day***" means a day on which the Principal Market is open for trading.

"***VWAP***" means, for any Trading Day, the volume-weighted average price per Common Share, calculated on the basis of trades executed on the Principal Market between regular trading hours (i.e. for the NYSE, the hours of 9:30 a.m. and 4:00 p.m. New York time), as reported by Bloomberg L.P. or, if not reported thereby, another alternative source as reasonably agreed to by Issuer and Purchaser.

SECTION 2 COMMON SHARES

2.01 Purchases of Common Shares.

(a) **Purchases**. Subject to the terms and conditions of this Agreement, from and after the satisfaction of the conditions set forth in **Section 3.01** of this Agreement (the "***Effective Date***"), Issuer shall have the right, but not the obligation, to direct Purchaser, by its delivery to Purchaser of a Purchase Notice from time to time, to purchase a number of Purchase Shares, at the Purchase Price on the Purchase Date. Issuer may deliver multiple Purchase Notices to Purchaser so long as at least fifteen (15) Business Days has passed since the most recent Purchase was completed. The aggregate Purchase Price of all Purchase Shares purchased pursuant to this Agreement shall not exceed the Maximum Purchase Amount; provided that, on or prior to December 31, 2018 (the "***Minimum Purchase Date***"), Issuer shall have issued and Purchaser shall have purchased Purchase Shares for an aggregate Purchase Price equal to at least Ten Million Dollars ($10,000,000) (the "***Minimum Purchase Amount***"). Subject to the limitations set forth in Section 2.02 of this Agreement, if Issuer has not requested that Purchaser purchase Purchase Shares for an aggregate Purchase Price of at least the Minimum Purchase Amount on or before sixteen (16) Business Days prior to the Minimum Purchase Date, Issuer shall be obliged to issue and be deemed to have requested that Purchaser purchase Purchase Shares effective sixteen (16) Business Days prior to the Minimum Purchase Date for an aggregate Purchase Price equal to the difference between the Minimum Purchase Amount and the sum of the Purchase Price for all previously issued Purchase Shares as of such date (the "***Equity Shortfall Amount***"), and Purchaser shall purchase such Purchase Shares in an aggregate amount equal to the Note Purchase Shortfall Amount one (1) Business Day prior to the Minimum Purchase Date; provided, however, if a Material Adverse Effect or Study Product Failure has occurred or is reasonably likely to occur, Purchaser shall not be required to purchase any such Purchase Shares pursuant to this Agreement.

(b) **Purchase Notice**. To request a purchase pursuant to **Section 2.01(a)** of this Agreement, prior to the Equity Commitment Termination Date, Issuer shall complete, sign and deliver a Purchase Notice at least fifteen (15) Business Days before the requested Purchase Date to Purchaser. Purchaser shall purchase the Purchase Shares in the manner requested by the Purchase Notice; provided that (i) each of the conditions precedent to the issuance and sale of such Purchase Shares is satisfied as of the requested Purchase Date, and (ii) no Purchase Notice shall be delivered and no Purchase Shares shall be issued for a Purchase Price on the relevant Purchase Date of less than $1,000,000.

(c) **Payment**. For each purchase pursuant to **Section 2.01(a)** of this Agreement, within two (2) business days following the relevant Purchase Date (each such date, a "***Settlement Date***") (i) Purchaser shall pay to Issuer an amount equal to the aggregate Purchase Price set forth in the Purchase Notice with respect to such purchase as full payment for such Purchase Shares via wire transfer of immediately available funds to a bank account designated by Issuer from time to time in accordance with the provisions of this Agreement and (ii) Issuer will instruct its transfer agent to register and deliver via electronic book-entry, or otherwise cause to be delivered a certificate representing, the Purchase Shares being purchased by Purchaser.

2.02 **Principal Market Purchase Limitations**. Issuer shall not issue or sell any Purchase Shares, and Purchaser shall not purchase or acquire any Purchase Shares, pursuant to this Agreement, if, after giving effect thereto, it would breach Issuer's obligations under the applicable rules of the Principal Market, including without limitation, Issuer's obligation to obtain shareholder approval (the "***Exchange Cap***"). In the event that Issuer, upon advice of its counsel, determines that any purchase and sale of Purchase Shares hereunder would likely breach Issuer's obligations under applicable Principal Market rules, such purchase and sale shall only proceed to the extent that Issuer elects, in its sole discretion, to solicit shareholder approval or otherwise bring such purchase and sale into compliance with the applicable rules and regulations of the Principal Market. For the avoidance of doubt, Issuer may, but shall be under no obligation to, request its shareholders to approve the issuance and sale of Purchase Shares under this Agreement. The Exchange Cap shall be applicable for all purposes of this Agreement and the Securities Purchase Agreement and the transactions contemplated hereunder and thereunder.

SECTION 3 CONDITIONS PRECEDENT TO COMMON SHARE PURCHASES

The obligations of Purchaser to purchase the Purchase Shares hereunder are subject to the satisfaction by Issuer of the following conditions on or prior to the Effective Date and each Purchase Date:

3.01 **Conditions to the Effectiveness**. This Agreement shall become effective upon the satisfaction or, where legally permissible, the waiver of each of the following conditions:

(a) The execution and delivery of this Agreement by each of the Purchaser and the Issuer;

(b) All corporate and other proceedings in connection with the transactions contemplated under this Agreement and all documents incident thereto shall be reasonably satisfactory in form and substance to Purchaser, and Purchaser (or its counsel) shall have received all such counterpart original and certified or other copies of such documents as reasonably requested; and

(c) The Secretary of Issuer shall have delivered to Purchasers as of the Effective Date, a certificate certifying (i) the Bye-laws of Issuer and (ii) resolutions of the Board of Directors of Issuer approving this Agreement and the transactions contemplated hereunder.

3.02 **All Purchases**. As of each Purchase Date:

(a) The representations and warranties of Issuer set forth in **Section 5** of this Agreement shall be true and correct as though made as of such Purchase Date (except for representations and warranties that speak as of a specific date);

(b) The representations and warranties of Purchaser set forth in **Section 4** of this Agreement shall be true and correct as of the date hereof and as of the Purchase Date as though made at that time (except for representations and warranties that speak as of a specific date);

(c) All Purchase Shares to be issued by Issuer to Purchaser on the Settlement Date for such Purchase Date shall have been approved for listing on the Principal Market in accordance with the applicable rules and regulations of the Principal Market, subject only to official notice of issuance;

(d) Issuer shall have performed, satisfied and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with on or before such Purchase Date;

(e) No fact or condition shall exist that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default;

(f) No Material Adverse Effect or Study Product Failure shall have occurred or shall be reasonably likely to occur;

(g) All authorizations, approvals or permits, if any, of any Governmental Authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Purchase Shares pursuant to this Agreement shall be obtained and effective as of the Purchase Date; and

(h) Purchaser shall have received a certificate, executed by an authorized officer of Issuer, dated as of such Purchase Date, certifying that the conditions specified in **Section 3.02(a), (c), (d), (e) and (f)** have been fulfilled.

SECTION 4 REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Issuer that as of the date hereof and as of each Purchase Date:

4.01 Authorization. Purchaser has full power and authority to enter into this Agreement. This Agreement, when executed and delivered by Purchaser, will constitute a valid and legally binding obligation of Purchaser, enforceable in accordance with its terms and conditions, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws of general application relating to or affecting the enforcement of creditors' rights generally or (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.02 Purchase Entirely for Own Account. Purchaser is acquiring the Purchase Shares for investment for Purchaser’s own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof. Purchaser does not have any present intention of selling, granting any participation in, or otherwise distributing the Purchase Shares. Purchaser further represents that Purchaser does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Purchase Shares. Purchaser has not been formed for the specific purpose of acquiring the Purchase Shares.

4.03 **Disclosure of Information**. Purchaser has had an opportunity to discuss Issuer's business, management, financial affairs and the terms and conditions of the offering of the Purchase Shares with Issuer's management.

4.04 **Restricted Securities**. Purchaser understand that the Purchase Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act that depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Purchaser's representations as expressed in this Agreement. Purchaser understands that the Purchase Shares are "restricted securities" under applicable United States federal and state securities laws and that, pursuant to these laws, Purchaser must hold the Purchase Shares indefinitely unless they are registered with the SEC and qualified by state authorities or an exemption from such registration and qualification requirements is available. Purchaser acknowledges that Issuer has no obligation to register or qualify the Purchase Shares. Purchaser further acknowledge that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale and the holding period for the Purchase Shares and on requirements relating to Issuer that are outside of Purchaser's control, and that Issuer is under no obligation and may not be able to satisfy.

4.05 **Legends**. Purchaser understand that the Purchase Shares may bear any one or more of the following legends: (a) any legend required by the securities laws of any state to the extent such laws are applicable to the Purchase Shares represented by the certificate so legended, and (b) the following:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED."

4.06 **Accredited and Sophisticated Purchaser**. Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D of the Securities Act. Purchaser is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Purchase Shares; provided that to the extent the Purchaser has been formed for the foregoing purpose, it is hereby making the respective representations under this Section 4 with respect to each of its investors.

4.07 **No General Solicitation**. Neither Purchaser nor any of its officers, directors, employees, agents, shareholders or partners has either directly or indirectly, including through a broker or finder (i) engaged in any general solicitation with respect to the offer and sale of the Purchase Shares, or (ii) published any advertisement in connection with the offer and sale of the Purchase Shares.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF ISSUER

Issuer represents and warrants as of the date hereof and each Purchase Date that:

5.01 Corporate Status. Issuer and each of its Subsidiaries is duly incorporated and/or organized, legally existing and in good standing under the laws of its jurisdiction of incorporation or organization, as applicable, and is duly qualified as a foreign corporation or other entity, as applicable, in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified would reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; Enforcement; Conflicts. Issuer's execution, delivery and performance of this Agreement and consummation of the sale and purchase of the Purchase Shares hereunder (a) have been duly authorized by all necessary corporate action of Issuer, (b) will not result in the creation or imposition of any Lien upon the Collateral, other than Permitted Liens and Liens created by the Securities Purchase Agreement and the other Note Documents, (c) do not violate any provisions of Issuer's certificate of incorporation, memorandum of association, bye-laws, or any law, regulation, order, injunction, judgment, decree or writ to which Issuer is subject, and (d) does not violate any material contract or material agreement of Issuer, except as otherwise disclosed pursuant to the Securities Purchase Agreement or as would not reasonably be expected to have a Material Adverse Effect. The individual or individuals executing this Agreement are duly authorized to do so.

5.03 Filings, Consents and Approvals. Assuming the accuracy of the representations made by Purchaser in this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local Governmental Authority is required on the part of Issuer in connection with the purchases hereunder except for filings pursuant to Regulation D of the Securities Act, and applicable state securities laws, which have been made or will be made in a timely manner.

5.04 Issuance of the Purchase Shares. The Purchase Shares, when issued, sold and delivered in accordance with the terms and conditions and for the consideration set forth herein, will be duly authorized, validly issued, fully paid and nonassessable (which term means when used herein that no further sums are required to be paid by the holders thereof in connection with the issue of such shares) and free of restrictions on transfer other than restrictions on transfer herein or under the Securities Purchase Agreement, applicable state and federal securities laws and Liens or encumbrances created by or imposed by Purchaser. The issuance of the Purchase Shares will not be subject to any preemptive or similar rights that have not been validly waived. Assuming the accuracy of the representations made by Purchaser in this Agreement, and subject to filings described in **Section 5.02** above, the offer, sale and issuance of the Purchase Shares to be issued pursuant to and in conformity with the terms and conditions of this Agreement, will comply with all applicable federal and state securities laws. The issuance and sale of the Purchase Shares hereunder does not contravene the rules and regulations of the Principal Market or exchange on which the Purchase Shares are listed or quoted for trading.

5.05 **Capitalization**. The capitalization of Issuer is as set forth in the SEC Reports (as defined below) in each case as of the dates set forth therein. Except as otherwise disclosed pursuant to the Securities Purchase Agreement or in the SEC Reports, (a) no Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by this Agreement, (b) the issuance and sale of the Purchase Shares under this Agreement will not obligate Issuer to issue Purchase Shares or other securities to any Person (other than Purchaser) and will not result in a right of any holder of Issuer securities to adjust the exercise, conversion, exchange or reset price under any of such securities and (c) there are no stockholders agreements, voting agreements or other similar agreements with respect to Issuer's shares to which Issuer is a party or, to the knowledge of Issuer, between or among any of Issuer's shareholders.

5.06 **SEC Reports; Financial Statements**. Issuer has filed all reports under Section 13 or 15(d) of the Exchange Act during the 12 months preceding the date hereof (or such shorter period as the Issuer was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "***SEC Reports***"), other than Form 8-K reports, required to have been filed. None of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Issuer has never been an issuer subject to Rule 144(i) under the Securities Act.

5.07 **Certain Fees**. No brokerage or finder's fees or commissions are or will be payable by Issuer to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the purchases under this Agreement. Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this **Section 5.07** that may be due in connection with the purchases under this Agreement.

5.08 **Listing and Maintenance Requirements**. The Common Shares are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and Issuer has taken no action designed to terminate, or which to its knowledge is likely to have the effect of terminating, the registration of the Common Shares under the Exchange Act nor has Issuer received any notification that the Commission is contemplating terminating such registration. Issuer has not, in the 12 months preceding the date hereof, received notice from the NYSE (or other Principal Market on which the Common Shares are listed) to the effect that Issuer is not in compliance with the listing or maintenance requirements of such exchange in any material respect that would reasonably be expected to result in a delisting from such exchange. Issuer is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

5.09 **No Integrated Offering**. Assuming the accuracy of Purchasers' representations and warranties set forth in **Section 4** of this Agreement, neither Issuer, any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would reasonably be expected to cause the issuance of the Purchase Shares to Purchaser to be integrated with prior offerings by Issuer and as a result require (a) the registration of the Purchase Shares under the Securities Act, or (b) shareholder approval under any applicable rules of the NYSE (or other Principal Market on which the Common Shares are listed).

5.10 **No General Solicitation**. Neither Issuer nor any of its officers, directors, employees, agents, shareholders or partners has either directly or indirectly, including through a broker or a finder (a) engaged in any general solicitation with respect to the offer and sale of the Purchase Shares, or (b) published any advertisement in connection with the offer and sale of the Purchase Shares.

5.11 **Regulation M Compliance**. Issuer has not, and to its knowledge no one acting on its behalf has (a) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of Issuer to facilitate the sale or resale of any of the Purchase Shares or (b) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Purchase Shares.

5.12 **No Disqualification Events**. With respect to the Purchase Shares to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of Issuer, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of Issuer participating in the offering hereunder, any beneficial owner of 20% or more of Issuer's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with Issuer in any capacity at the time of sale (each, an "***Issuer Covered Person***") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "***Disqualification Event***"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). Issuer has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event and will notify Purchaser in writing, prior to any Purchase Date, of (a) any Disqualification Event relating to any Issuer Covered Person, and (b) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person. Issuer has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to Purchaser a copy of any disclosures provided thereunder.

5.13 **Material Adverse Effect**. No event that has had or would reasonably be expected to have a Material Adverse Effect has occurred and is continuing. Issuer is not aware of any event likely to occur that is reasonably expected to result in a Material Adverse Effect.

5.14 **Actions Before Governmental Authorities**. There are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Issuer, threatened in writing against Issuer or any of its Subsidiaries or their respective property, that is reasonably expected to result in a Material Adverse Effect.

5.15 Compliance with Laws; Affiliate Transactions.

(a) Neither Issuer nor any of its Subsidiaries is in violation in any material respect of any law, rule or regulation, or in default in any material respect with respect to any judgment, writ, injunction or decree of any Governmental Authority.

(b) Neither Issuer nor any of its Subsidiaries is in default in any material manner under any provision of any agreement or instrument evidencing material Indebtedness, or any other material agreement to which it is a party or by which it is bound, including the Roivant Documents, and, to the knowledge of Issuer with respect to any Person other than Issuer or its Subsidiaries, no event of default or event that with the passage of time would result in an event of default exists under any agreement or instrument evidencing material Indebtedness.

(c) Neither Issuer nor any of its Subsidiaries, nor to Issuer's knowledge, any of its or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) is a Blocked Person. Neither Issuer nor any of its Subsidiaries, nor to the knowledge of Issuer, any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (B) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law. None of the funds to be provided under this Agreement will be used, directly or indirectly, (1) for any activities in violation of any applicable anti-money laundering, economic sanctions and anti-bribery laws and regulations laws and regulations, including the Anti-Bribery Laws, or (2) for any payment to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(d) Except as disclosed pursuant to the Securities Purchase Agreement, Issuer and each of its Subsidiaries has implemented, and maintains in effect, policies and procedures to the extent necessary to ensure compliance by Issuer and its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Issuer, its Subsidiaries and their respective officers and employees and, to the knowledge of Issuer, its Subsidiaries and their respective directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects.

(e) Neither Issuer nor any of its Subsidiaries nor any of their respective directors, officers or employees, is a Sanctioned Person. No use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

(f) Neither Issuer's nor any of its Subsidiaries' properties or assets has been used by Issuer or such Subsidiary or, to Issuer's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws.

(g) Issuer and each of its Subsidiaries has obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.16 Investment Company Act. Neither Issuer nor any of its Subsidiaries is required to register as an "***investment company***" or a company "***controlled***" by an "***investment company***" under the Investment Company Act of 1940, as amended. Neither Issuer nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Neither Issuer nor any of its Subsidiaries is a "***holding company***" or an "***affiliate***" of a "***holding company***" or a "***subsidiary company***" of a "***holding company***" as each term is defined and used in the Public Utility Holding Company Act of 2005.

5.17 Information Correct and Current. No written information, report, Purchase Notice, financial statement, exhibit or schedule furnished, by or on behalf of Issuer to Purchaser in connection with this Agreement or the Securities Purchase Agreement, or, when taken as a whole, contains or will contain any material misstatement of fact or, when taken together with all other such written information or documents, omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not materially misleading at the time such statement was made or deemed made. Additionally, any and all financial or business projections provided by Issuer to Purchaser, whether prior to or after the Purchase Date, shall be (a) provided in good faith and based on the most current data and information available to the Issuer at the time prepared and (b) the most current of such projections provided to the Board of Directors of Issuer (it being understood that such projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Issuer, that no assurance is given that any particular projections will be realized, that actual results may differ).

5.18 Tax Matters.

(a) Except disclosed in SEC Reports or pursuant to the Securities Purchase Agreement and except those being contested in good faith with adequate reserves under GAAP or IFRS, as applicable, (i) Issuer has filed all material federal, state and local tax returns that it is required to file, (ii) Issuer has duly paid or fully reserved for all material taxes or installments thereof (including any interest or penalties) as and when due, or which have or may become due pursuant to such returns, and (iii) Issuer has paid or fully reserved for any material tax assessment received by it which remains unpaid, if any (including any taxes being contested in good faith and by appropriate proceedings).

(b) Issuer is not a tax resident in Switzerland within the meaning Article 9(1) of the Swiss Withholding Tax Act.

(c) There is no stamp duty or similar taxes payable on the issue or transfer of the Purchase Shares under current United Kingdom tax law provided that neither an instrument of transfer in respect of such Purchase Shares is executed in the United Kingdom by any person (other than the Issuer) nor is the instrument of transfer in respect of such Purchase Shares brought into the United Kingdom by any person (other than the Issuer).

5.19 Intellectual Property Claims. Except disclosed in SEC Reports or the Disclosure Letter to the Securities Purchase Agreement, (a) each of the material Copyrights, Trademarks and Patents is valid and enforceable and (b) no material part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part. Exhibit C to the Disclosure Letter to the Securities Purchase Agreement is a true, correct and complete list of Issuer's and its Subsidiaries', registered Trademarks, registered Copyrights, and material agreements under which Issuer licenses Intellectual Property from third parties (other than shrink-wrap software licenses), together with application or registration numbers, as applicable, owned by Issuer, in each case as relates to the Study Product as of the Purchase Date. Issuer and its Subsidiaries are not in material breach of, nor have Issuer or its Subsidiaries failed to perform any material obligations under, any of the foregoing contracts, licenses or agreements and, except as disclosed to Purchaser, to Issuer's knowledge, no third party to any such contract, license or agreement is in material breach thereof or has failed to perform any material obligations thereunder.

5.20 Intellectual Property. Except as disclosed in SEC Reports or the Disclosure Letter to the Securities Purchase Agreement, Issuer and its Subsidiaries have all material rights with respect to Intellectual Property necessary or material in the operation or conduct of Issuer's and its Subsidiaries' businesses as currently conducted and proposed to be conducted by such parties. Without limiting the generality of the foregoing, and in the case of Licenses, except for restrictions that are unenforceable under Article 9 of the UCC or other applicable law, Issuer and its Subsidiaries have the right, to the extent required to operate their business, to freely transfer, license or assign Intellectual Property necessary or material in the operation or conduct of their business as currently conducted and proposed to be conducted by them, without condition, restriction or payment of any kind (other than license payments in the ordinary course of business) to any third party.

5.21 **Products**. Except as disclosed in SEC Reports or the Disclosure Letter to the Securities Purchase Agreement, no material Intellectual Property owned by Issuer or its Subsidiaries or Issuer Product has been or is subject to any actual or, to the knowledge of Issuer, threatened in writing litigation, proceeding (including any proceeding in the United States Patent and Trademark Office or any corresponding foreign office or agency) or outstanding decree, order, judgment, settlement agreement or stipulation that restricts in any material manner the use, transfer or licensing thereof by Issuer or any of its Subsidiaries or that may affect the validity, use or enforceability thereof. There is no decree, order, judgment, agreement, stipulation, arbitral award or other provision entered into in connection with any litigation or proceeding that obligates Issuer or any of its Subsidiaries to grant licenses or ownership interest in any future Intellectual Property related to the operation or conduct of the business of Issuer or any of its Subsidiaries or Products, except where such decree, order, judgment, agreement, stipulation or award would not reasonably be expected to have a Material Adverse Effect. Neither Issuer nor any of its Subsidiaries has received any written notice or claim, or, to the knowledge of Issuer, oral notice or claim, challenging or questioning their ownership in any Intellectual Property (or written notice of any claim challenging or questioning the ownership in any licensed Intellectual Property of the owner thereof) or suggesting that any third party has any claim of legal or beneficial ownership with respect thereto nor, to the knowledge of Issuer, is there a reasonable basis for any such claim in each case to where such notice or claim would reasonably be expected to have a Material Adverse Effect. To Issuer's knowledge, neither Issuer's nor its Subsidiaries' use of its Intellectual Property or the production and sale of Products infringes the valid Intellectual Property or other rights of others in any material respect.

5.22 **Financial Accounts**. Exhibit D to the Disclosure Letter to the Securities Purchase Agreement, is a true, correct and complete list of (a) all banks and other financial institutions at which Issuer or any of its Subsidiaries maintains Deposit Accounts and (b) all institutions at which Issuer or any of its Subsidiaries maintains an account holding Investment Property, and such exhibit correctly identifies the name, address and telephone number of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

5.23 **Capitalization and Subsidiaries**. Issuer and its Subsidiaries do not own any stock, partnership interest or other securities of any Person, except for Permitted Investments.

5.24 **Pensions**. Save for Myovant Ireland, none of Issuer nor any Subsidiary is, or has at any time been, (a) an employer (for the purposes of sections 38 to 51 of the U.K. Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the U.K. Pensions Schemes Act 1993) or (b) "***connected***" with or an "***associate***" of (as those terms are used in sections 38 and 43 of the U.K. Pensions Act 2004) such an employer.

5.25 **Study Product Regulatory Matters**.

(a) Issuer and each of its Subsidiaries holds all material approvals and authorizations from Governmental Authorities necessary for such party to conduct its business in the manner in which such business is being conducted with respect to the Study Product, including with respect to the conduct of the then ongoing Clinical Studies and the development, manufacture and testing of the Study Product, and all such approvals and authorizations are in good standing and in full force and effect. Neither Issuer nor any of its Subsidiaries has received any notice or any other communication from any Governmental Authority regarding any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any such approvals or authorizations, except where such notice or communications would not reasonably be expected to result in a Material Adverse Effect.

(b) Neither Issuer nor any of its Subsidiaries has, with respect to the Study Product, knowingly made any untrue statement of material fact or fraudulent statement to any Governmental Authority, failed to disclose a material fact required to be disclosed to any Governmental Authority, or committed an act, made a statement or failed to make a statement, that provides or would reasonably be expected to provide a basis for a Governmental Authority to invoke the U.S. Food and Drug Administration's policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy of any other Governmental Authority.

(c) Neither Issuer nor any of its Subsidiaries is, or has ever been, (A) debarred by a Governmental Authority, (B) a party to a settlement, consent or similar agreement with a Governmental Authority regarding the Study Product, or (C) charged with, or convicted of, violating any applicable law regarding the Study Product.

(d) The Study Product is being and at all times has been (as applicable) developed, tested, manufactured, labeled, and stored by or, to the Issuer's knowledge, on behalf of, the Issuer and its Subsidiaries in compliance in all material respects with all applicable laws, including with respect to investigational use, good clinical practices, good laboratory practices, good manufacturing practices, record keeping, security, and filing of reports.

(e) Since April 29, 2016, the Study Product has not been the subject of or subject to (as applicable) any recall, suspension, market withdrawal, seizure, warning letter, other written communication, in each case asserting lack of compliance by the Issuer or its Subsidiaries with any applicable law, except as would not reasonably be expected to result in a Material Adverse Effect. No Study Product Failure has occurred. No event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for any of the foregoing events.

(f) As of the date hereof, the Issuer has made available to Purchaser true and complete copies of all requested material clinical data, reports and analysis and all requested material correspondence with the U.S. Food and Drug Administration.

(g) Neither Issuer nor any of its Subsidiaries nor any of their respective Affiliates has received any adverse written notice from any Governmental Authority regarding the approvability or approval of the Study Product that would reasonably be expected to result in a Study Product Failure.

(h) No Governmental Authority has imposed, or communicated its intent to impose, a suspension, clinical hold, or other adverse regulatory action regarding the Study Product that would reasonably be expected to result in a Study Product Failure.

(i) Neither Issuer nor any of its Subsidiaries has any intent to suspend or terminate a Clinical Study in a manner that would reasonably be expected to result in a Study Product Failure.

SECTION 6 INDEMNIFICATION

Issuer agrees to indemnify and hold Purchaser and its officers, directors, employees, agents, in-house attorneys, representatives and shareholders (each, an "***Indemnified Person***") harmless from and against any and all claims, costs, expenses, damages and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort), including reasonable attorneys' fees and disbursements and other costs of investigation or defense (including those incurred upon any appeal) (collectively, "***Liabilities***"), that may be instituted or asserted against or incurred by such Indemnified Person in connection with claims arising out of the transactions contemplated herein, or any actions or failures to act in connection herewith, excluding in all cases Liabilities to the extent resulting solely from any Indemnified Person's gross negligence or willful misconduct or from, any and all liabilities with respect to, or resulting from any delay in paying, and, for the avoidance of doubt, except as set forth in **Section 5.18(c)** with respect to the initial issuance of the Purchased Shares, any and all transfer or other similar taxes that may be payable or determined to be payable with respect to the execution, delivery, performance, enforcement or registration of any of this Agreement or the purchase or subsequent transfer of the Purchase Shares. In no event shall Issuer or any Indemnified Person be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings). This **Section 6** shall survive the expiration or other termination of this Agreement.

SECTION 7 COVENANTS

7.01 Listing. Issuer shall use commercially reasonable efforts to maintain the listing of the Common Shares on the Principal Market and shall comply in all respects with Issuer's reporting, filing and other obligations under the rules and regulations of such Principal Market. Issuer shall not take any action that would reasonably be expected to result in the delisting or suspension of the Common Shares on such Principal Market, except in connection with the listing of the Common Shares on another Principal Market.

7.02 **Reserved**.

7.03 **Due Diligence**. Purchaser shall have the right, from time to time as Purchaser may reasonably deem appropriate and upon reasonable advance notice to Issuer, to perform reasonable due diligence on Issuer during normal business hours. Issuer and its officers and employees shall provide information and reasonably cooperate with Purchaser in connection with any reasonable request by Purchaser related to Purchaser's due diligence of Issuer. All information received by Purchaser pursuant to this **Section 7.03** shall be subject to the confidentiality provisions of **Section 10.10** of this Agreement. Notwithstanding anything in this Agreement to the contrary, in the event any Purchaser provides Issuer with written notice that such Purchaser desires not to receive any material, non-public information (a "***Restricted Person***"), (a) neither Issuer nor any other Person acting on its behalf shall provide Purchasers or their agents or counsel with any information that constitutes or may reasonably be considered to constitute material, non-public information, and (b) in the case of any notice pursuant to any provision of this Agreement, Issuer shall promptly notify each Restricted Person in writing or orally that Issuer desires to deliver a notice to such Restricted Purchaser containing material non-public information (an "***MNPI Notice***"). Within five (5) Business Days of receipt of such notification, the Restricted Person may either (i) refuse the delivery of such MNPI Notice, in which case Issuer's obligations to deliver such notice to such Restricted Person shall be deemed satisfied, or (ii) notify Issuer that it wishes to receive such MNPI Notice. A Restricted Person may upon not less than five (5) days prior written notice to Issuer elect to cease being a Restricted Person.

7.04 **Purchase Records**. Purchaser and Issuer shall each maintain records showing the remaining amount available under the Maximum Purchase Amount at any given time and the dates and amounts of each purchase under this Agreement.

7.05 **Other Transactions**. Issuer shall not enter into, announce or recommend to its shareholders any agreement, plan, arrangement or transaction in or of which the terms thereof would restrict, materially delay, conflict with or impair the ability or right of Issuer to perform its obligations under this Agreement.

7.06 **Use of Proceeds**. Issuer agrees that the proceeds of the Purchased Shares shall be used solely to pay related fees and expenses in connection with this Agreement and to support the clinical development and commercialization of the Study Product.

SECTION 8 EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an "***Event of Default***:"

8.01 Any representation or warranty made by Issuer herein shall have been false or misleading in any material respect when made or when deemed made;

8.02 The delisting of the Common Shares from a Principal Market, unless the Common Shares are immediately thereafter trading on another Principal Market;

8.03 The failure for any reason by the Issuer's transfer agent to issue Purchase Shares to Purchaser within five (5) Business Days after the applicable Purchase Date;

8.04 Issuer breaches any representation, warranty, covenant or other term or condition under this Agreement in any material respect and, in the case of a breach of a covenant, if such breach is reasonably curable, such breach continues for more than five (5) Business Days after Issuer has received notice or has actual knowledge of such breach;

8.05 An Insolvency Event occurs with respect to any Note Party; or

8.06 The authority or ability of Issuer to conduct its business as a whole is limited or wholly or substantially curtailed by any seizure, expropriation or nationalization by or on behalf of any Governmental Authority or other Person in relation to Issuer or any of its assets.

In addition to any other rights and remedies under applicable law and this Agreement, so long as an Event of Default has occurred and is continuing, or if any event which, after notice and/or lapse of time, would become an Event of Default, has occurred and is continuing, Issuer shall not deliver to Purchaser any Purchase Notice, and Purchaser shall not be required to purchase any Common Shares under this Agreement.

SECTION 9 TERMINATION

This Agreement may be terminated only as follows:

9.01 So long as an Event of Default has occurred and is continuing, Purchaser shall have the option to terminate this Agreement by delivering notice (a "***Purchaser Termination Notice***") to Issuer electing to terminate this Agreement without any liability whatsoever of any party to any other party under this Agreement (except as set forth below). The Purchaser Termination Notice shall be effective one (1) Business Day after it has been received by Issuer.

9.02 Subject to Issuer selling Purchase Shares to Purchaser in an amount of at least the Minimum Purchase Amount, at any time after the Effective Date, Issuer shall have the option to terminate this Agreement for any reason or for no reason by delivering notice (an "***Issuer Termination Notice***") to Purchaser electing to terminate this Agreement without any liability whatsoever of any party to any other party under this Agreement (except as set forth below). The Issuer Termination Notice shall be effective one (1) Business Day after it has been received by Purchaser.

9.03 This Agreement shall automatically terminate on the date that Issuer sells and Purchaser purchases the Maximum Purchase Amount, without any action or notice on the part of any party and without any liability whatsoever of any party to any other party under this Agreement (except as set forth below).

9.04 Except as set forth in **Section 9.01**, any termination of this Agreement pursuant to this **Section 9** shall be effected by written notice from Issuer to Purchaser, setting forth the basis for the termination hereof. No termination of this Agreement shall (i) affect Issuer's or Purchaser's rights or obligations under this Agreement with respect to pending purchases and Issuer and Purchaser shall complete their respective obligations with respect to any pending purchase under this Agreement or (ii) be deemed to release Issuer or Purchaser from any liability for intentional misrepresentation or willful breach of this Agreement.

SECTION 10 MISCELLANEOUS

10.01 **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10.02 **Notice**. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication that is required, contemplated, or permitted under this Agreement or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by electronic mail or hand delivery or delivery by an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States of America mails, with proper first class postage prepaid, in each case addressed to the party to be notified as follows:

(a) If to the Purchaser:

NovaQuest Pharma Opportunities Fund IV, L.P.
NovaQuest Pharma Opportunities Fund IV (Parallel), L.P.
Attention: Matthew Bullard
4208 Six Forks Road, Suite 920
Raleigh, NC 27609
Email: matthew.bullard@nqcapital.com
Telephone: 919-459-8628

with a copy (which shall not constitute notice) to:

Wyrick Robbins Yates & Ponton LLP
Attention: Daniel S. Porper and Robert E. Futrell Jr.
4101 Lake Boone Trail, Suite 300
Raleigh, NC 27607
Email: dporper@wyrick.com and rfutrell@wyrick.com
Telephone: 919-781-4000

(b) If to Issuer:

c/o Myovant Sciences Ltd.
Attention: Frank Karbe
2000 Sierra Point Parkway, 9th Floor
Brisbane, CA 94005
email: Frank.Karbe@myovant.com
Telephone: 650-238-0241

with a copy (which shall not constitute notice) to:

COOLEY LLP
Attention: Gian-Michele a Marca
500 California Street
San Francisco, CA 94117
email: gmamarca@cooley.com
Telephone: 415-693-2148

or to such other address as each party may designate for itself by like notice.

10.03 Entire Agreement; Amendments.

(a) This Agreement constitutes the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and supersedes and replaces in its entirety any prior proposals, term sheets, non-disclosure or confidentiality agreements, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof.

(b) No provision of this Agreement may be amended other than by a written instrument signed by both parties hereto.

10.04 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.

10.05 No Waiver. No provision of this Agreement may be waived other than in a written instrument signed by the party against whom enforcement of such waiver is sought. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

10.06 **Survival**. All agreements, representations and warranties contained in this Agreement or in any document delivered pursuant hereto or thereto shall be for the benefit of Issuer and Purchaser and shall survive the execution and delivery of this Agreement. **Sections 6, 10.06 and 10.10** shall survive the termination of this Agreement.

10.07 **Governing Law**. This Agreement has been negotiated and delivered to Purchaser and Issuer in the State of New York. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

10.08 **CONSENT TO JURISDICTION AND VENUE**. ALL JUDICIAL PROCEEDINGS ARISING IN OR UNDER OR RELATED TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE COURT LOCATED IN THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURTS FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT PURCHASER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ISSUER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. ISSUER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN THIS **SECTION 10.08**. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT. SERVICE OF PROCESS ON ANY PARTY HERETO IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE EFFECTIVE IF GIVEN IN ACCORDANCE WITH THE REQUIREMENTS FOR NOTICE SET FORTH HEREIN, AND SHALL BE DEEMED EFFECTIVE AND RECEIVED AS SET FORTH HEREIN. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

10.09 **Mutual Waiver of Jury Trial**. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert Person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF ISSUER AND PURCHASER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "***CLAIMS***") ASSERTED BY ISSUER AGAINST PURCHASER OR BY PURCHASER AGAINST ISSUER. This waiver extends to all such Claims, including Claims that involve Persons other than Issuer and Purchaser; Claims that arise out of or are in any way connected to the relationship among the Issuer and Purchaser; and any Claims for damages, breach of contract, tort, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement.

10.10 **Confidentiality**. Purchaser acknowledges that certain items of information provided to Purchaser by the Issuer are confidential and proprietary information of Issuer, if and to the extent such information either (x) is marked as confidential by Issuer at the time of disclosure, or (y) should reasonably be understood to be confidential (the "***Confidential Information***"). Accordingly, Purchaser agrees that any Confidential Information it may obtain in connection with this Agreement shall not be disclosed to any other Person or entity in any manner whatsoever, in whole or in part, without the prior written consent of Issuer, except that Purchaser may disclose any such information: (a) to its own and to its Affiliates' limited partners, members, managers, directors, individuals or bodies responsible for governance of Purchaser (including Purchaser's and Purchaser's Affiliates' investment committees and limited partner advisory committees), officers, employees, accountants, counsel and other professional advisors if Purchaser in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Purchaser; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Purchaser's counsel; (e) to comply with any legal requirement or law applicable to Purchaser; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under this Agreement; or (g) otherwise with the prior consent of Issuer; provided that any disclosure made in violation of this Agreement shall not affect the obligations of Issuer hereunder.

10.11 **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Issuer shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of Purchaser, including by merger or consolidation. Purchaser may not assign its rights or obligations under this Agreement.

10.12 **Counterparts**. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

10.13 **No Third Party Beneficiaries**. No provisions of this Agreement are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than the parties hereto and, except as otherwise so provided, all provisions of this Agreement will be personal and solely between Issuer and Purchaser.

10.14 **Publicity**. None of the parties hereto nor any of its respective member businesses and Affiliates shall, without the other parties' prior written consent (which shall not be unreasonably withheld or delayed), publicize or use (a) the other party's name (including a brief description of the relationship among the parties hereto), logo or hyperlink to such other parties' web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "***Publicity Materials***"); (b) the names of officers of such other parties in the Publicity Materials; and (c) such other parties' name, trademarks, servicemarks in any news or press release concerning such party. Notwithstanding anything to the contrary herein, no such consent shall be required (i) to the extent necessary to comply with the requests of any regulators, legal requirements or laws applicable to such party or pursuant to any listing agreement with any national securities exchange (so long as such party provides prior notice to the other party hereto to the extent reasonably practicable) and (ii) to comply with **Section 10.10**.

10.15 **Enforcement Costs**. In the event of a dispute arising out of or relating to this Agreement, if a court of competent jurisdiction determines in a final, non-appealable order that a party has breached this Agreement, then in addition to any other available remedies, the non-breaching party shall be entitled to (in addition to all other available remedies), and the breaching party shall be liable for, the reasonable legal fees and expenses incurred by the non-breaching party in connection with such dispute, including any appeals in connection therewith.

10.16 **Further Assurances**. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

10.17 **Service of Process**. Issuer shall appoint C T Corporation System as its agent for the purpose of receiving and forwarding service of any process in the United States of America.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement as of the day and year first above written.

ISSUER:

MYOVANT SCIENCES LTD.

Signature:	/s/ Marianne L. Romeo
Print Name:	Marianne L. Romeo
Title:	Head, Global Transactions & Risk Management

PURCHASER:

NOVAQUEST PHARMA OPPORTUNITIES FUND IV, L.P.

By: NQ POF IV GP, L.P., its general partner

By: NQ POF IV GP, LTD, its general partner

Signature: /s/ John L. Bradley, Jr.
Print Name: John L. Bradley, Jr.
Title: Director

NOVAQUEST PHARMA OPPORTUNITIES FUND IV (PARALLEL), L.P.

By: NQ POF IV GP, L.P., its general partner

By: NQ POF IV GP, LTD, its general partner

Signature: /s/ John L. Bradley, Jr.
Print Name: John L. Bradley, Jr.
Title: Director

Table of Exhibits

Exhibit A: Purchase Notice
Schedule 1.01: Clinical Studies

EXHIBIT A

[*Form of Purchase Notice*]

[ISSUER LETTERHEAD]

VIA ELECTRONIC MAIL
NovaQuest Pharma Opportunities Fund IV, L.P.
Attention: Matthew Bullard
4208 Six Forks Road, Suite 920
Raleigh, NC 27609
Email: matthew.bullard@nqcapital.com
Telephone: 919-459-8628

Re: Purchase Notice

Ladies and Gentlemen:

This letter constitutes a "Purchase Notice" delivered pursuant to Section 2.01(a) of that certain Equity Purchase Agreement, dated October 16, 2017, by and between Myovant Sciences Ltd. and NovaQuest Pharma Opportunities Fund IV, L.P. and NovaQuest Pharma Opportunities Fund IV (Parallel), L.P. (the "***Agreement***"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

The details of the purchase to be made pursuant to this Purchase Notice are as follows:

Number of Purchase Shares: _____

Aggregate Purchase Price: $_____

Attached is a certificate executed by the [Chief Financial Officer][Chief Executive Officer] of the Company in the form required by Section 3.03(c) of the Agreement.

MYOVANT SCIENCES LTD.

Name:
Title:

cc **VIA ELECTRONIC MAIL**

Wyrick Robbins Yates & Ponton LLP
Attention: Daniel S. Porper and Robert E. Futrell Jr.
4101 Lake Boone Trail, Suite 300
Raleigh, NC 27607
Email: dporper@wyrick.com and rfutrell@wyrick.com
Telephone: 919-781-4000

OFFICER'S CERTIFICATE

I, _____, do hereby certify to NovaQuest Pharma Opportunities Fund IV, L.P., a Cayman Islands exempted limited partnership, and NovaQuest Pharma Opportunities Fund IV (Parallel), L.P., a Cayman Islands exempted limited partnership (collectively, "***Purchaser***"), with respect to the common shares of Myovant Sciences Ltd., an exempted company incorporated and organized under the laws of Bermuda ("***Issuer***"), issuable in connection with the Purchase Notice, dated _____, 20__ (the "***Notice***"), and pursuant to Section 3.02(h) of that certain Equity Purchase Agreement, dated October 16, 2017, by and between Purchaser and Issuer (the "***Agreement***"), as follows:

1. I am the duly elected _____ of Issuer.

2. All common shares of the Issuer to be issued by Issuer to Purchaser on the date hereof shall have been approved for listing on the [New York Stock Exchange] in accordance with the applicable rules and regulations of the [New York Stock Exchange], subject only to official notice of issuance

3. The representations and warranties of Issuer set forth in Section 5 of the Agreement are true and correct as though made as of the date hereof (except for representations and warranties that speak as of a specific date).

4. Issuer has performed, satisfied and complied with all covenants, agreements, obligations and conditions contained in the Agreement that are required to be performed or complied with on or before the date hereof.

5. No fact or condition shall exist that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default.

6. No Material Adverse Effect or Study Product Failure shall have occurred or shall be reasonably likely to occur.

The undersigned has executed this Certificate this ____ day of _____ 20__.

MYOVANT SCIENCES LTD.

Name:
Title:

Exhibit 31.1

CERTIFICATION

I, Lynn Seely, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Myovant Sciences Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2018

By: /s/ Lynn Seely

Lynn Seely

Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, Frank Karbe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Myovant Sciences Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2018

By: /s/ Frank Karbe

Frank Karbe

Principal Financial and Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Myovant Sciences Ltd. (the "Company") for the period ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Lynn Seely, Principal Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to her knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2018

By: /s/ Lynn Seely

Lynn Seely

Principal Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Myovant Sciences Ltd. (the "Company") for the period ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Frank Karbe, Principal Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2018

By: /s/ Frank Karbe

Frank Karbe

Principal Financial and Accounting Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.