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

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2023

OR

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

For the transition period from _____ to

Commission file number: 001-36740

FIBROGEN, INC.

(Exact name of registrant as specified in its charter)

Delaware	**77-0357827**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
409 Illinois Street **San Francisco, CA**	**94158**
(Address of Principal Executive Offices)	**(Zip Code)**

(415) 978-1200
Registrant's telephone number, including area code:

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

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, $0.01 par value	FGEN	The Nasdaq Global Select Market

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

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

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

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

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

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

The number of shares of common stock outstanding as of July 31, 2023 was 98,210,168.

FIBROGEN, INC.

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FIBROGEN, INC.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 152,585	$ 155,700
Short-term investments	183,131	266,308
Accounts receivable, net ($19,951 and $12,088 from related parties)	25,599	16,299
Inventories	41,179	40,436
Prepaid expenses and other current assets	8,863	14,083
Total current assets	411,357	492,826
Restricted time deposits	2,072	2,072
Long-term investments	—	4,348
Property and equipment, net	16,829	20,605
Equity method investment in unconsolidated variable interest entity	6,112	5,061
Operating lease right-of-use assets	74,404	79,893
Other assets	4,353	5,282
Total assets	$ 515,127	$ 610,087
Liabilities, redeemable non-controlling interests and deficit		
Current liabilities:		
Accounts payable ($4,578 and $0 to a related party)	$ 12,802	$ 30,758
Accrued and other current liabilities ($25,229 and $63,886 to a related party)	162,769	219,773
Deferred revenue ($3,485 and $9,259 to related parties)	7,490	12,739
Operating lease liabilities, current	11,011	10,292
Total current liabilities	194,072	273,562
Product development obligations	17,365	16,917
Deferred revenue, net of current ($12,015 and $31,044 to a related party)	165,416	185,722
Operating lease liabilities, non-current	73,813	79,593
Senior secured term loan facilities, non-current	71,408	—
Liability related to sale of future revenues, non-current	48,399	49,333
Other long-term liabilities ($577 and $0 to a related party)	4,961	6,440
Total liabilities	575,434	611,567
Commitments and Contingencies (Note 12)		
Redeemable non-controlling interests	21,480	—
Stockholders' deficit:		
Preferred stock, $0.01 par value; 125,000 shares authorized; no shares issued and outstanding at June 30, 2023 and December 31, 2022	—	—
Common stock, $0.01 par value; 225,000 shares authorized at June 30, 2023 and December 31, 2022; 98,204 and 94,166 shares issued and outstanding at June 30, 2023 and December 31, 2022	982	942
Additional paid-in capital	1,625,067	1,541,019
Accumulated other comprehensive loss	(6,250)	(5,720)
Accumulated deficit	(1,722,073)	(1,557,688)
Total stockholders' deficit attributable to FibroGen	(102,274)	(21,447)
Nonredeemable non-controlling interests	20,487	19,967
Total deficit	(81,787)	(1,480)
Total liabilities, redeemable non-controlling interests and deficit	$ 515,127	$ 610,087

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

FIBROGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue:				
License revenue (includes $0, $0, $0 and $22,590 from a related party)	$ 1,000	$ —	$ 7,000	$ 22,590
Development and other revenue (includes $1,839, $1,825, $3,463, and $7,005 from a related party)	5,158	5,457	9,050	17,219
Product revenue, net (includes $20,512, $19,737, $41,884 and $35,959 from a related party)	23,889	23,256	48,049	42,137
Drug product revenue, net (from a related party)	14,272	1,093	16,381	8,687
Total revenue	44,319	29,806	80,480	90,633
Operating costs and expenses:				
Cost of goods sold	5,708	6,809	9,199	11,048
Research and development	95,478	70,963	169,964	159,981
Selling, general and administrative	31,181	30,258	65,455	60,820
Total operating costs and expenses	132,367	108,030	244,618	231,849
Loss from operations	(88,048)	(78,224)	(164,138)	(141,216)
Interest and other, net				
Interest expense	(3,069)	(141)	(5,441)	(238)
Interest income and other income (expenses), net	2,652	5,199	3,687	4,876
Total interest and other, net	(417)	5,058	(1,754)	4,638
Loss before income taxes	(88,465)	(73,166)	(165,892)	(136,578)
Provision for (benefit from) income taxes	(235)	23	(161)	136
Investment income in unconsolidated variable interest entity	550	565	1,346	885
Net loss	$ (87,680)	$ (72,624)	$ (164,385)	$ (135,829)
Net loss per share - basic and diluted	$ (0.90)	$ (0.78)	$ (1.71)	$ (1.46)
Weighted average number of common shares used to calculate net loss per share - basic and diluted	97,729	93,475	96,218	93,260

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

FIBROGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss	$ (87,680)	$ (72,624)	$ (164,385)	$ (135,829)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(2,337)	159	(2,585)	408
Available-for-sale investments:				
Unrealized gain (loss) on investments, net of tax effect	657	(584)	2,055	(3,175)
Other comprehensive gain (loss), net of taxes	(1,680)	(425)	(530)	(2,767)
Comprehensive loss	(89,360)	(73,049)	(164,915)	(138,596)

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

FIBROGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share data)
(Unaudited)

	For The Three Month Period							
	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Nonredeemable Non-Controlling	Total	Redeemable Non-Controlling
	Shares	Amount	Capital	Income (Loss)	Deficit	Interests	Equity (Deficit)	Interests (Note 3)
Balance at March 31, 2023	96,623,309	$ 966	$ 1,589,145	$ (4,570)	$ (1,634,393)	$ 19,967	$ (28,885)	$ —
Net loss	—	—	—	—	(87,680)	—	(87,680)	—
Consolidation of Fortis **(Note 3)**						520	520	21,480
Change in unrealized gain or loss on investments	—	—	—	657	—	—	657	—
Foreign currency translation adjustments	—	—	—	(2,337)	—	—	(2,337)	—
Issuance of common stock under ATM Program	930,511	9	17,267	—	—	—	17,276	—
Shares issued from stock plans	650,423	7	2,772	—	—	—	2,779	—
Stock-based compensation	—	—	15,883	—	—	—	15,883	—
Balance at June 30, 2023	98,204,243	$ 982	$ 1,625,067	$ (6,250)	$ (1,722,073)	$ 20,487	$ (81,787)	$ 21,480
Balance at March 31, 2022	93,288,584	$ 933	$ 1,490,859	$ (6,505)	$ (1,327,239)	$ 19,967	$ 178,015	$ —
Net loss	—	—	—	—	(72,624)	—	(72,624)	—
Change in unrealized gain or loss on investments	—	—	—	(584)	—	—	(584)	—
Foreign currency translation adjustments	—	—	—	159	—	—	159	—
Shares issued from stock plans, net of payroll taxes paid	444,450	4	2,119	—	—	—	2,123	—
Stock-based compensation	—	—	16,658	—	—	—	16,658	—
Balance at June 30, 2022	93,733,034	$ 937	$ 1,509,636	$ (6,930)	$ (1,399,863)	$ 19,967	$ 123,747	$ —

FIBROGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)
(In thousands, except share data)
(Unaudited)

	For The Six Month Period							
	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Nonredeemable Non-Controlling	Total	Redeemable Non-Controlling
	Shares	Amount	Capital	Loss	Deficit	Interests	Equity (Deficit)	Interests (Note 3)
Balance at December 31, 2022	94,166,086	$ 942	$ 1,541,019	$ (5,720)	$ (1,557,688)	$ 19,967	$ (1,480)	$ —
Net loss	—	—	—	—	(164,385)	—	(164,385)	—
Consolidation of Fortis **(Note 3)**						520	520	21,480
Change in unrealized gain or loss on investments	—	—	—	2,055	—	—	2,055	—
Foreign currency translation adjustments	—	—	—	(2,585)	—	—	(2,585)	—
Issuance of common stock under ATM Program	2,472,090	24	48,383	—	—	—	48,407	
Shares issued from stock plans, net of payroll taxes paid	1,566,067	16	3,670	—	—	—	3,686	—
Stock-based compensation	—	—	31,995	—	—	—	31,995	—
Balance at June 30, 2023	98,204,243	$ 982	$ 1,625,067	$ (6,250)	$ (1,722,073)	$ 20,487	$ (81,787)	$ 21,480
Balance at December 31, 2021	92,880,533	$ 929	$ 1,476,414	$ (4,163)	$ (1,264,034)	$ 19,967	$ 229,113	$ —
Net loss	—	—	—	—	(135,829)	—	(135,829)	—
Change in unrealized gain or loss on investments	—	—	—	(3,175)	—	—	(3,175)	—
Foreign currency translation adjustments	—	—	—	408	—	—	408	—
Shares issued from stock plans, net of payroll taxes paid	852,501	8	(588)	—	—	—	(580)	—
Stock-based compensation	—	—	33,810	—	—	—	33,810	—
Balance at June 30, 2022	93,733,034	$ 937	$ 1,509,636	$ (6,930)	$ (1,399,863)	$ 19,967	$ 123,747	$ —

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

FIBROGEN, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2023	2022
Operating activities		
Net loss	$ (164,385)	$ (135,829)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	5,020	4,966
Amortization of finance lease right-of-use assets	657	269
Net accretion of premium and discount on investments	(1,815)	1,512
Investment income in unconsolidated variable interest entity	(1,346)	(885)
Loss (gain) on disposal of property and equipment	1	(1)
Stock-based compensation	31,995	33,810
Acquired in-process research and development expenses	24,636	—
Non-cash interest expense related to sale of future revenues	3,577	—
Impairment of investment	1,000	—
Realized loss on sales of available-for-sale securities	271	5
Changes in operating assets and liabilities:		
Accounts receivable, net	(10,007)	(16,200)
Inventories	(1,951)	(10,858)
Prepaid expenses and other current assets	4,199	11,596
Operating lease right-of-use assets	5,296	6,256
Other assets	99	1,487
Accounts payable	(20,784)	4,192
Accrued and other liabilities	(57,016)	61,005
Operating lease liabilities, current	787	108
Deferred revenue	(25,555)	9,651
Accrued interest for finance lease liabilities	68	14
Operating lease liabilities, non-current	(5,666)	(5,574)
Other long-term liabilities	(1,243)	(7,064)
Net cash used in operating activities	(212,162)	(41,540)
Investing activities		
Purchases of property and equipment	(1,584)	(2,543)
Payment made for acquired in-process research and development asset	—	(35,000)
Proceeds from sale of property and equipment	—	6
Purchases of available-for-sale securities	(104,543)	(59,123)
Cash acquired from consolidation of Fortis	656	—
Proceeds from sales of available-for-sale securities	1,730	7,382
Proceeds from maturities of investments	192,938	132,518
Net cash provided by investing activities	89,197	43,240
Financing activities		
Proceeds from senior secured term loan facilities, net of issuance costs	74,078	—
Cash paid for transaction costs for senior secured term loan facilities	(2,746)	—
Repayments of finance lease liabilities	(207)	(23)
Repayments of lease obligations	(201)	(201)
Cash paid for payroll taxes on restricted stock unit releases	—	(3,361)
Proceeds from issuance of common stock under ATM Program, net of commissions	48,407	—
Proceeds from issuance of common stock under employee stock plans	3,686	2,779
Net cash provided by (used in) financing activities	123,017	(806)
Effect of exchange rate change on cash and cash equivalents	(3,167)	(4,359)
Net decrease in cash and cash equivalents	(3,115)	(3,465)
Total cash and cash equivalents at beginning of period	155,700	171,223
Total cash and cash equivalents at end of period	$ 152,585	$ 167,758

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

FIBROGEN, INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Significant Accounting Policies

Description of Operations

FibroGen, Inc. ("FibroGen" or the "Company") is headquartered in San Francisco, California, with subsidiary offices in Beijing and Shanghai, People's Republic of China ("China"). FibroGen is a leading biopharmaceutical company discovering, developing and commercializing a pipeline of first-in-class therapeutics. The Company applies its pioneering expertise in hypoxia-inducible factor ("HIF") biology, 2-oxoglutarate enzymology, and connective tissue growth factor to advance innovative medicines for the treatment of anemia, fibrotic disease, and cancer.

Pamrevlumab, a human monoclonal antibody targeting connective tissue growth factor, is in Phase 3 clinical development for the treatment of locally advanced unresectable pancreatic cancer, and ambulatory Duchenne muscular dystrophy. Pamrevlumab is also in Phase 2/3 development for the treatment of metastatic pancreatic cancer. To date, the Company has retained exclusive worldwide rights for pamrevlumab.

Roxadustat is an oral small molecule inhibitor of HIF prolyl hydroxylase activity. Roxadustat (□□□®, EVRENZO™) is approved in China, Europe, Japan, and numerous other countries for the treatment of anemia in chronic kidney disease for patients who are on dialysis and not on dialysis. Roxadustat is in clinical development for chemotherapy-induced anemia in China.

The Company has a pipeline of late-stage clinical programs as well as preclinical drug candidates at various stages of development that include both small molecules and biologics. FibroGen's goal is to build a diversified pipeline with novel drugs that will address unmet patient needs in oncology, immunology, and fibrosis.

Basis of Presentation and Principles of Consolidation

The condensed consolidated financial statements include the accounts of FibroGen, its wholly-owned subsidiaries and its majority-owned subsidiaries, as well as any variable interest entity ("VIE") for which FibroGen is the primary beneficiary. All inter-company transactions and balances have been eliminated in consolidation. For any VIE for which FibroGen is not the primary beneficiary, the Company uses the equity method of accounting.

The Company operates as one reportable segment — the discovery, development and commercialization of novel therapeutics to treat serious unmet medical needs.

The unaudited condensed consolidated financial statements and related disclosures have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") applicable to interim financial reporting and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the U.S. Securities and Exchange Commission ("SEC") and, therefore, do not include all information and footnote disclosures normally included in the annual consolidated financial statements. The financial information included herein should be read in conjunction with the consolidated financial statements and related notes in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed on February 27, 2023 ("2022 Form 10-K").

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions include valuation and recognition of revenue and deferred revenue, specifically, estimates in variable consideration for drug product sales, and estimates in transaction price per unit for the China performance obligation. On an ongoing basis, management reviews these estimates and assumptions. Changes in facts and circumstances may alter such estimates and actual results could differ from those estimates. In the Company's opinion, the accompanying unaudited condensed consolidated financial statements include all normal recurring adjustments necessary for a fair statement of its financial position, results of operations and cash flows for the interim periods presented.

Significant Accounting Policies

The accounting policies used by the Company in its presentation of interim financial results are consistent with those presented in Note 2 to the consolidated financial statements included in the 2022 Form 10-K, except for the updates to the following:

Asset Acquisition

The Company evaluates acquisitions of entities or assets to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen test to determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If this screen criteria is met, the transaction is accounted for as an asset acquisition. If not, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the definition of a business. The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets, which includes transaction costs.

In an asset acquisition, the cost allocated to acquire in-process research and development ("IPR&D") with no alternative future use is charged to research and development expense at the acquisition date. The Company recognizes assets acquired and liabilities assumed in asset acquisitions, including contingent assets and liabilities, and non-controlling interests ("NCI") in the acquired assets at their estimated fair values as of the date of acquisition.

An NCI represents the non-affiliated equity interest in the underlying entity or asset. The Company presents redeemable NCI in its consolidated statements of changes in equity within mezzanine equity. Nonredeemable NCI and redeemable NCI are initially recorded at their fair values. Subsequently, net loss in the underlying entity or asset is only allocated to nonredeemable NCI. Net income in the underlying entity or asset is allocated to nonredeemable NCI and redeemable NCI based on their respective stated rights.

Net Loss per Share

Potential common shares that would have the effect of increasing diluted earnings per share are considered to be anti-dilutive and as such, these shares are not included in the calculation of diluted earnings per share. The Company reported a net loss for each of the three and six months ended June 30, 2023 and 2022. Therefore, dilutive common shares are not assumed to have been issued since their effect is anti-dilutive for these periods.

Diluted weighted average shares excluded the following potential common shares related to stock options, service-based restricted stock units ("RSUs"), performance-based RSUs ("PRSUs"), total shareholder return ("TSR") awards and shares to be purchased under the 2014 Employee Stock Purchase Plan ("ESPP") for the periods presented as they were anti-dilutive (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Employee stock options	9,701	10,164	8,857	9,837
RSUs, PRSUs and TSR awards	3,084	3,364	3,078	2,893
ESPP	747	645	554	559
	13,532	14,173	12,489	13,289

Risks and Uncertainties

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, the results of clinical trials and the achievement of milestones, research developments, actions by regulatory authorities, market acceptance of the Company's product candidates, competition from other products and larger companies, the liquidity and capital resources of the Company, intellectual property protection for the Company's proprietary technology, strategic relationships, and dependence on key individuals, suppliers, clinical organization, and other third parties.

2. Collaboration Agreements, License Agreement and Revenues

Astellas Agreements

Astellas Japan Agreement

In June 2005, the Company entered into a collaboration agreement with Astellas for the development and commercialization (but not manufacture) of roxadustat for the treatment of anemia in Japan ("Astellas Japan Agreement"). Under this agreement, Astellas agreed to pay license fees, other upfront consideration and various milestone payments, totaling $172.6 million. The Astellas Japan Agreement also provides for tiered payments based on net sales of product (as defined) in the low 20% range of the list price published by Japan's Ministry of Health, Labour and Welfare, adjusted for certain elements, after commercial launch.

The aggregate amount of consideration received through June 30, 2023 totaled $105.1 million, excluding drug product revenue that is discussed under the *Drug Product Revenue, Net* section below. Based on its current development plans for roxadustat in Japan, the Company does not expect to receive most or all of the additional potential milestones under the Astellas Japan Agreement.

Amounts recognized as license revenue and development revenue under the Astellas Japan Agreement were as follows for the three and six months ended June 30, 2023 and 2022 (in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,	
Agreement	**Performance Obligation**	**2023**	**2022**	**2023**	**2022**
Astellas Japan Agreement	Development revenue	$ 33	$ 79	$ 128	$ 111

The transaction price related to consideration received through June 30, 2023 and accounts receivable has been allocated to each of the following performance obligations under the Astellas Japan Agreement (in thousands):

Astellas Japan Agreement	**Total Consideration Through June 30, 2023**
License	$ 100,347
Development revenue	17,010
Total license and development revenue	$ 117,357

There was no license revenue or development revenue resulting from changes to estimated variable consideration in the current period relating to performance obligations satisfied or partially satisfied in previous periods for the three months ended June 30, 2023 under the Astellas Japan Agreement. The Company does not expect material variable consideration from estimated future co-development billing beyond the development period in the transaction price related to the Astellas Japan Agreement.

In 2018, FibroGen and Astellas entered into an amendment to the Astellas Japan Agreement that allows Astellas to manufacture roxadustat drug product for commercialization in Japan (the "Astellas Japan Amendment"). The related drug product revenue is described under the *Drug Product Revenue, Net* section below.

Astellas Europe Agreement

In April 2006, the Company entered into a separate collaboration agreement with Astellas for the development and commercialization of roxadustat for the treatment of anemia in Europe, the Middle East, the Commonwealth of Independent States and South Africa ("Astellas Europe Agreement"). Under the terms of the Astellas Europe Agreement, Astellas agreed to pay license fees, other upfront consideration and various milestone payments, totaling $745.0 million. Under the Astellas Europe Agreement, Astellas committed to fund 50% of joint development costs for Europe and North America, and all territory-specific costs. The Astellas Europe Agreement also provides for tiered payments based on net sales of product (as defined) in the low 20% range.

On March 21, 2022, EVRENZO® (roxadustat) was registered with the Russian Ministry of Health. The Company evaluated the regulatory milestone payment associated with the approval in Russia under the Astellas Europe Agreement and concluded that this milestone was achieved in the first quarter of 2022. Accordingly, the consideration of $25.0 million associated with this milestone was included in the transaction price and allocated to performance obligations under the Astellas Europe Agreement, all of which was recognized as revenue during the first quarter of 2022 from performance obligations satisfied.

The aggregate amount of consideration received under the Astellas Europe Agreement through June 30, 2023 totaled $685.0 million, excluding drug product revenue that is discussed under the *Drug Product Revenue, Net* section below. Based on its current development plans for roxadustat in Europe, the Company does not expect to receive most or all of the additional potential milestones under the Astellas Europe Agreement.

Amounts recognized as license revenue and development revenue under the Astellas Europe Agreement were as follows for the three and six months ended June 30, 2023 and 2022 (in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,	
Agreement	**Performance Obligation**	**2023**	**2022**	**2023**	**2022**
Astellas Europe Agreement	License revenue	$ —	$ —	$ —	$ 22,590
	Development revenue	$ 1,806	$ 1,746	$ 3,335	$ 6,894

The transaction price related to consideration received through June 30, 2023 and accounts receivable has been allocated to each of the following performance obligations under the Astellas Europe Agreement as follows (in thousands):

Astellas Europe Agreement	**Total Consideration Through June 30, 2023**
License	$ 618,975
Development revenue	283,600
Total license and development revenue	$ 902,575

There was no license revenue or development revenue resulting from changes to estimated variable consideration in the current period relating to performance obligations satisfied or partially satisfied in previous periods for three months ended June 30, 2023 under the Astellas Europe Agreement. The remainder of the transaction price related to the Astellas Europe Agreement includes $2.7 million of variable consideration from estimated future co-development billing and is expected to be recognized over the remaining development service period.

Under the Astellas Europe Agreement, Astellas has an option to purchase roxadustat bulk drug product in support of commercial supplies. During the first quarter of 2021, the Company entered into an EU Supply Agreement with Astellas under the Astellas Europe Agreement (“Astellas EU Supply Agreement”) to define general forecast, order, supply and payment terms for Astellas to purchase roxadustat bulk drug product from FibroGen in support of commercial supplies. The related drug product revenue is described under the *Drug Product Revenue, Net* section below.

AstraZeneca Agreements

AstraZeneca U.S./Rest of World (“RoW”) Agreement

Effective July 30, 2013, the Company entered into a collaboration agreement with AstraZeneca AB (“AstraZeneca”) for the development and commercialization of roxadustat for the treatment of anemia in the U.S. and all other countries in the world, other than China, not previously licensed under the Astellas Europe and Astellas Japan Agreements (“AstraZeneca U.S./RoW Agreement”). China is covered by a separate agreement with AstraZeneca described below. Under the terms of the AstraZeneca U.S./RoW Agreement, AstraZeneca agreed to pay upfront, non-contingent, non-refundable and time-based payments, and potential milestone payments, totaling $1.2 billion. AstraZeneca commits to pay the Company tiered royalty payments on AstraZeneca’s future net sales (as defined in the agreement) of roxadustat in the low 20% range. In addition, the Company is entitled to receive a transfer price for shipment of commercial product based on a percentage of AstraZeneca’s net sales (as defined in the agreement) in the low- to mid-single digit range.

The aggregate amount of consideration received under the AstraZeneca U.S./RoW Agreement through June 30, 2023 totaled $439.0 million, excluding drug product revenue that is discussed separately below. Based on its current development plans for roxadustat in the U.S., the Company does not expect to receive most or all of the additional potential milestones under the AstraZeneca U.S./RoW Agreement.

In 2020, the Company entered into a Master Supply Agreement with AstraZeneca under the AstraZeneca U.S./RoW Agreement (“AstraZeneca Master Supply Agreement”) to define general forecast, order, supply and payment terms for AstraZeneca to purchase roxadustat bulk drug product from FibroGen in support of commercial supplies. The related drug product revenue is described under the *Drug Product Revenue, Net* section below.

AstraZeneca China Agreement

Effective July 30, 2013, the Company (through its subsidiaries affiliated with China) entered into a collaboration agreement with AztraZeneca for roxadustat for the treatment of anemia in China ("AstraZeneca China Agreement"). Under the terms of the AstraZeneca China Agreement, AstraZeneca agreed to pay upfront consideration and potential milestone payments, totaling $376.7 million. The AstraZeneca China Agreement is structured as a 50/50 profit or loss share (as defined), which was amended under the AstraZeneca China Amendment in 2020 as discussed below, and provides for joint development costs (including capital and equipment costs for construction of the manufacturing plant in China), to be shared equally during the development period.

The aggregate amount of such consideration received for milestone and upfront payments through June 30, 2023 totaled $77.2 million.

AstraZeneca China Amendment

In July 2020, FibroGen China Anemia Holdings, Ltd., FibroGen (China) Medical Technology Development Co., Ltd. ("FibroGen Beijing"), and FibroGen International (Hong Kong) Limited and AstraZeneca entered into an amendment to the AstraZeneca China Agreement, relating to the development and commercialization of roxadustat in China (the "AstraZeneca China Amendment"). Under the AstraZeneca China Amendment, in 2020, FibroGen Beijing and AstraZeneca completed the establishment of a jointly owned entity, Beijing Falikang Pharmaceutical Co., Ltd. ("Falikang"), which performs roxadustat distribution, as well as conducts sales and marketing through AstraZeneca.

Substantially all direct roxadustat product sales to distributors in China are made by Falikang, while FibroGen Beijing continues to sell roxadustat product directly in one province in China. FibroGen Beijing manufactures and supplies commercial product to Falikang based on a gross transfer price, which is adjusted for the estimated profit share.

Amounts recognized as license revenue and development revenue under the AstraZeneca U.S./RoW Agreement and AstraZeneca China Agreement were as follows for the three and six months ended June 30, 2023 and 2022 (in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,	
Agreement	**Performance Obligation**	**2023**	**2022**	**2023**	**2022**
AstraZeneca U.S./RoW Agreement and AstraZeneca China Agreement	Development revenue	$ 2,273	$ 3,352	$ 4,305	$ 9,171

The transaction price related to consideration received through June 30, 2023 and accounts receivable has been allocated to each of the following performance obligations under the AstraZeneca U.S./RoW Agreement and AstraZeneca China Agreement, along with any associated deferred revenue as follows (in thousands):

AstraZeneca U.S./RoW Agreement and AstraZeneca China Agreement	**Cumulative Revenue Through June 30, 2023**	**Deferred Revenue at June 30, 2023**		**Total Consideration Through June 30, 2023**
License	$ 341,844	$ —		$ 341,844
Co-development, information sharing & committee services	619,943	—		619,943
China performance obligation *	148,618	178,219		326,837
Total license and development revenue	$ 1,110,405	$ 178,219	**	$ 1,288,624

* China performance obligation revenue is recognized as product revenue, as described under *Product Revenue, Net* section below.

** Contract assets and liabilities related to rights and obligations in the same contract are recorded net on the consolidated balance sheets. As of June 30, 2023, deferred revenue included $157.4 million related to the AstraZeneca U.S./RoW Agreement and AstraZeneca China Agreement, which represents the net of $178.2 million of deferred revenue presented above and a $20.8 million unbilled co-development revenue under the AstraZeneca China Amendment.

There was no license revenue or development revenue resulting from changes to estimated variable consideration in the current period relating to performance obligations satisfied or partially satisfied in previous periods for the three months ended June 30, 2023 under the AstraZeneca U.S./RoW Agreement. The remainder of the transaction price related to the AstraZeneca U.S./RoW Agreement and AstraZeneca China Agreement includes $4.9 million of variable consideration from estimated future co-development billing and is expected to be recognized over the remaining development service period, except for amounts allocated to the China performance obligation. The amount allocated to the China performance obligation is expected to be recognized as the Company transfers control of the commercial drug product to Falikang, and is expected to continue through 2028, which reflects our best estimates.

The net product revenue from the sales to Falikang and the net product revenue from direct sales distributors in China are described under *Product Revenue, Net* section below.

Product Revenue, Net

Product revenue, net from the sales of roxadustat commercial product in China was as follows for the three and six months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Direct Sales:				
Gross revenue	$ 3,607	$ 3,533	$ 6,667	$ 6,362
Discounts and rebates	(229)	(13)	(503)	(187)
Sales returns	(1)	(1)	1	3
Direct sales revenue, net	3,377	3,519	6,165	6,178
Sales to Falikang:				
Gross transaction price	42,153	28,281	76,402	51,007
Profit share	(18,312)	(10,065)	(33,300)	(18,914)
Net transaction price	23,841	18,216	43,102	32,093
Decrease (increase) in deferred revenue	(3,329)	1,521	(1,218)	3,866
Sales to Falikang revenue, net	20,512	19,737	41,884	35,959
Total product revenue, net	$ 23,889	$ 23,256	$ 48,049	$ 42,137

Direct Sales

Product revenue from direct roxadustat product sales to distributors in China is recognized in an amount that reflects the consideration that the Company expects to be entitled to in exchange for those products, net of various sales rebates and discounts. The total discounts and rebates were immaterial for the periods presented.

Due to the Company's legal right to offset, at each balance sheet date, the rebates and discounts are presented as reductions to gross accounts receivable from the distributor, or as a current liability to the distributor to the extent that the total amount exceeds the gross accounts receivable or when the Company expects to settle the discount in cash. The Company's legal right to offset is determined at the individual distributor level. The contract liabilities were included in accrued and other current liabilities in the condensed consolidated balance sheet and were immaterial as of June 30, 2023 and December 31, 2022, respectively. The rebates and discounts reflected as reductions to gross accounts receivable for direct sales were immaterial as of June 30, 2023 and December 31, 2022, respectively.

Sales to Falikang – China Performance Obligation

Substantially all direct roxadustat product sales to distributors in China are made by Falikang. FibroGen Beijing manufactures and supplies commercial product to Falikang. The net transfer price for FibroGen Beijing's product sales to Falikang is based on a gross transfer price, which is adjusted to account for the 50/50 profit share for the period.

The roxadustat sales to Falikang marked the beginning of the Company's China performance obligation under the Company's agreements with AstraZeneca. Product revenue is based on the transaction price of the China performance obligation. Revenue is recognized when control of the product is transferred to Falikang, in an amount that reflects the allocation of the transaction price to the performance obligation satisfied during the reporting period. Any net transaction price in excess of the revenue recognized is added to the deferred balance to date, and will be recognized in future periods as the performance obligation is satisfied.

Periodically, the Company updates its assumptions such as total sales quantity, performance period and other inputs including foreign currency translation impact, among others. Following updates to its estimates, the Company deferred $3.3 million and $1.2 million from the revenue of the China performance obligation during the three and six months ended June 30, 2023, respectively. The product revenue recognized for the three and six months ended June 30, 2023 included a decrease in revenue of $4.7 million resulting from changes to estimated variable consideration in the current period relating to performance obligations satisfied in previous periods.

The following table includes a roll-forward of the related deferred revenue that is considered as a contract liability (in thousands):

	Balance at December 31, 2022	Additions	Recognized as Revenue	Currency Translation and Other	Balance at June 30, 2023
Product revenue - AstraZeneca China performance obligation - deferred revenue	$ (175,646)	$ (46,428)	$ 41,884	$ 1,971	$ (178,219)

Deferred revenue includes amounts allocated to the China performance obligation under the AstraZeneca arrangement as revenue recognition associated with this unit of accounting is tied to the commercial launch of the products within China and to when the control of the manufactured commercial products is transferred to AstraZeneca. As of June 30, 2023, approximately $24.8 million of the above deferred revenue related to the China unit of accounting was included in short-term deferred revenue, which represents the amount of deferred revenue associated with the China unit of accounting that is expected to be recognized within the next 12 months, associated with the commercial sales in China.

Due to the Company's legal right to offset, at each balance sheet date, the rebates and discounts, mainly related to profit sharing, are presented as reductions to gross accounts receivable from Falikang, which was $2.5 million and $0.5 million as of June 30, 2023 and December 31, 2022, respectively.

Drug Product Revenue, Net

Drug product revenue from commercial-grade active pharmaceutical ingredient ("API") or bulk drug product sales to Astellas and AstraZeneca was as follows for the three and six months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Astellas Japan Agreement	$ 13,809	$ 17	$ 15,541	$ 7,611
Astellas Europe Agreement	463	1,076	840	1,076
Drug product revenue, net	$ 14,272	$ 1,093	$ 16,381	$ 8,687

Astellas Japan Agreement

During the three months ended June 30, 2023, the Company fulfilled two shipment obligations under the terms of Astellas Japan Amendment, and recognized related drug product revenue of $14.4 million in the same period. In addition, the Company updates its estimate of variable consideration related to the API shipments fulfilled under the terms of Astellas Japan Amendment at each balance sheet date. As a result, the Company recorded a reduction to the drug product revenue of $0.6 million for the three months ended June 30, 2023. Specifically, the change in estimated variable consideration was based on the API held by Astellas at period end, adjusted to reflect the changes in the estimated bulk product strength mix intended to be manufactured by Astellas, and foreign exchange impacts, among others.

For the three months ended March 31, 2023, the Company updated its estimate of variable consideration related to the API shipments fulfilled under the terms of Astellas Japan Amendment, and accordingly recorded an adjustment to the drug product revenue of $1.7 million. Specifically, the change in estimated variable consideration was based on the API held by Astellas at period end, adjusted to reflect the changes in the estimated bulk product strength mix intended to be manufactured by Astellas, and estimated yield from the manufacture of bulk product tablets, among others.

During the first quarter of 2022, the Company fulfilled a shipment obligation under the terms of Astellas Japan Amendment, and recognized related drug product revenue of $9.8 million in the same period. In addition, the Company updated its estimate of variable consideration related to the API shipments fulfilled under the terms of Astellas Japan Amendment, and recorded a reduction to the drug product revenue of $2.2 million during the first quarter of 2022. Specifically, the change in estimated variable consideration was based on the API held by Astellas at period end, adjusted to reflect the changes in the estimated bulk product strength mix intended to be manufactured by Astellas, estimated cost to convert the API to bulk product tablets, and estimated yield from the manufacture of bulk product tablets, among others.

As of June 30, 2023, the balances related to the API price true-up under the Astellas Japan Agreement were $4.6 million in accounts payable, $1.4 million in accrued liabilities and $0.6 million in other long-term liabilities, representing the Company's best estimate of the timing for these amounts to be paid. As of December 31, 2022, the related balance in accrued liabilities was $6.5 million.

Astellas Europe Agreement

The Company transferred bulk drug product for commercial purposes under the terms of the Astellas Europe Agreement and the Astellas EU Supply Agreement in the prior years, and recognized the related fully burdened manufacturing costs as drug product revenue in the respective periods and recorded the constrained transaction price in deferred revenue due to a high degree of uncertainty associated with the variable consideration for revenue recognition purposes. The Company updates its estimate of variable consideration related to the bulk drug product transferred in prior years at each balance sheet date.

During 2022, the Company updated its estimate of variable consideration related to the bulk drug product transferred in prior years. Specifically, the change in estimated variable consideration was based on the bulk drug product held by Astellas at the period end, adjusted to reflect the changes in the estimated transfer price, forecast information, shelf-life estimates and other items. As a result, the Company reclassified the related deferred revenue to accrued liabilities during the year ended December 31, 2022. As of December 31, 2022, the related balance was $57.4 million in accrued liabilities, which was paid to Astellas during the second quarter of 2023. Further for the six months ended June 30, 2023, the Company reclassified $24.0 million from the related deferred revenue to accrued liabilities. As of June 30, 2023, the balances related to the bulk drug product price true-up under the Astellas Europe Agreement and the Astellas EU Supply Agreement were $23.8 million in accrued liabilities, representing the Company's best estimate that these amounts will be paid within the next 12 months.

The Company recognized royalty revenue of $0.5 million and $0.8 million as drug product revenue from the deferred revenue under the Astellas Europe Agreement during the three and six months ended June 30, 2023, respectively. It is the Company's best estimate that the remainder of the deferred revenue will be recognized as revenue when uncertainty is resolved, based on the performance of roxadustat product sales in the Astellas territory.

The following table includes a roll-forward of the above-mentioned deferred revenues that are considered as contract liabilities related to drug product (in thousands):

	Balance at December 31, 2022	Additions	Recognized as Revenue	Reclassified to Accrued Liability / Accounts Payable	Balance at June 30, 2023
Drug product revenue - deferred revenue:					
Astellas Europe Agreement	$ (40,303)	$ —	$ 840	$ 23,963	$ (15,500)

AstraZeneca U.S./RoW Agreement

There was no shipment of bulk drug product to AstraZeneca as commercial supply under the terms of the AstraZeneca Master Supply Agreement during the periods presented.

During the first quarter of 2022, the Company evaluated the current developments in the U.S. market, and updated its estimates of variable consideration associated with bulk drug product shipments to AstraZeneca in prior years as commercial supply. As a result, the Company reclassified $11.2 million from the related deferred revenue to accrued liabilities during the year ended December 31, 2022, which remained unchanged as of June 30, 2023 and December 31, 2022, representing the Company's best estimate that this amount will be paid within the next 12 months.

Eluminex Agreement

In July 2021, FibroGen exclusively licensed to Eluminex Biosciences (Suzhou) Limited ("Eluminex") global rights to its investigational biosynthetic cornea derived from recombinant human collagen Type III.

Under the terms of the agreement with Eluminex, as amended and restated, Eluminex made an $8.0 million upfront payment to FibroGen during the first quarter of 2022, which was recognized as license revenue for the performance obligation satisfied during 2021. In addition, FibroGen may receive up to a total of $64.0 million in future manufacturing, clinical, regulatory, and commercial milestone payments for the biosynthetic cornea program, as well as $36.0 million in commercial milestones for the first recombinant collagen III product that is not the biosynthetic cornea. FibroGen will also be eligible to receive mid-single-digit to low double-digit royalties based upon worldwide net sales of cornea products, and low single-digit to mid-single-digit royalties based upon worldwide net sales of other recombinant human collagen type III products that are not cornea products.

In April 2023, FibroGen and Eluminex entered into an Amended and Restated Exclusive License Agreement ("A&R Eluminex Agreement") in order to add to the license rights to recombinant human collagen Type I (in addition to the rights to collagen Type III that were already licensed). The A&R Eluminex Agreement included additional total upfront payments of $1.5 million.

During the three months ended June 30, 2023, the Company recognized a $1.0 million upfront payment under the A&R Eluminex Agreement. During the three months ended March 31, 2023, the Company recognized a $3.0 million milestone payment based on Eluminex implanting a biosynthetic cornea in the first patient of its clinical trial in China, and a $3.0 million manufacturing related milestone payment.

During the first quarter of 2022, FibroGen and Eluminex entered into a separate contract manufacturing agreement, under which the Company is responsible for supplying the cornea product at cost plus 10% of its product manufacturing costs until its manufacturing technology is fully transferred to Eluminex. The related contract manufacturing revenue was recorded as other revenue and included in development and other revenue in the condensed consolidated statement of operations.

Amounts recognized as revenue under the Eluminex were as follows for the three and six months ended June 30, 2023 and 2022 (in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,	
Agreement	**Performance Obligation**	**2023**	**2022**	**2023**	**2022**
Eluminex	License revenue	$ 1,000	$ —	$ 7,000	$ —
	Other revenue - contract manufacturing	$ 246	$ 280	$ 482	$ 1,042

3. Exclusive License and Option to Acquire Fortis Therapeutics

On May 5, 2023 (the "Option Acquisition Date"), the Company entered into an exclusive option agreement to acquire Fortis Therapeutics ("Fortis") with its novel Phase 1 antibody-drug conjugate, FOR46 (now referred to as "FG-3246"), that targets a novel epitope on CD46 preferentially expressed on certain cancer cells. FG-3246 is in development for the treatment of metastatic castration-resistant prostate cancer with potential applicability in other solid tumors and hematologic malignancies.

Pursuant to an evaluation agreement entered into with Fortis concurrent with the option agreement (together the "Fortis Agreements"), FibroGen has exclusively licensed FG-3246 and will control and fund future research, development, including a Phase 2 clinical study sponsored by FibroGen, and manufacturing of FG-3246 during the up-to four-year option period. As part of the clinical development strategy, FibroGen will continue the work to develop a PET-based biomarker utilizing a radiolabeled version of the targeting antibody for patient selection.

Pursuant to the guidance under Accounting Standards Codification ("ASC") 810, *Consolidation* ("ASC 810"), the Company determined that Fortis is a VIE and that the Company is the primary beneficiary of Fortis, as through the Fortis Agreements the Company has the power to direct activities that most significantly impact the economic performance of Fortis. Therefore, the Company consolidated Fortis starting from the Option Acquisition Date, and continues to consolidate as of June 30, 2023. The transaction was accounted for as an asset acquisition under ASC 805, *Business Combinations*, as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable IPR&D asset.

The fair value of the consideration transferred was zero. If FibroGen exercises the option to acquire Fortis, it will pay Fortis an option exercise payment of $80.0 million, and thereafter, legacy Fortis shareholders would be eligible to receive from FibroGen up to $200.0 million in contingent payments associated with the achievement of various regulatory approvals. If FibroGen acquires Fortis, it would also be responsible to pay UCSF, an upstream licensor to Fortis, development milestone fees and a single digit royalty on net sales of therapeutic or diagnostic products arising from the licensing arrangement between Fortis and UCSF. If FibroGen chooses not to acquire Fortis, its exclusive license to FG-3246 would expire.

Additionally, the Company is obligated to make four quarterly payments totaling $5.0 million to Fortis in support of its continued development obligations. The Company determined that these payments should not be included in the purchase consideration, as those payments are payable to Fortis rather than to its shareholders.

Fortis has authorized and issued common shares and Series A preferred shares. As of the Option Acquisition Date and June 30, 2023, the Company owned approximately 2% of Fortis' Series A preferred shares, which was acquired previously and carried at zero cost. The NCI attributable to the common shares is classified as nonredeemable NCI, as it is 100% owned by third party shareholders. The NCI attributable to the approximately 98% of Series A preferred shares owned by other investors are classified as redeemable NCI in temporary equity, as the preferred shares are redeemable by the non-controlling shares holders upon occurrence of certain events out of the Company's control.

Subsequent to the Option Acquisition Date, Fortis' net income is allocated to its common shares and preferred shares based on their respective stated rights. Fortis' net loss is allocated to its common shares only as the holders of preferred shares do not have a contractual obligation to absorb such losses.

The following table represents the allocation of purchase consideration based on estimated fair values of the acquired assets (in thousands):

	Estimated Fair Value as of the Option Acquisition Date
Purchase consideration	$ —
Assets	
Cash and cash equivalents	656
Prepaid expenses and other current assets	82
IPR&D assets	24,400
Total assets	25,138
Liabilities	
Accounts payable	2,671
Accrued and other current liabilities	703
Total liabilities	3,374
Redeemable non-controlling interests	21,480
Nonredeemable non-controlling interests	520
Net identifiable assets, liabilities and non-controlling interests	$ (236)
Loss on asset acquisition	$ (236)

The Company used a third party valuation specialist to determine the fair value of the IPR&D assets using a risk-adjusted net present value discounted cash flow model (the "rNPV") with the following key assumptions: (i) estimated cash flow forecasts of peak sales, sales penetration, remaining IPR&D related product development costs, and other related general and administrative costs; (ii) probabilities of technical success of future underlying Phase II and Phase III clinical trials and ensuing probability of regulatory approval related to the IPR&D assets; and (iii) estimate of a risk-adjusted discount rate of 16.5%. The acquired IPR&D assets were determined to have no alternative future use. Accordingly, the Company expensed fair value of the acquired IPR&D assets of $24.4 million as research and development expense in the condensed consolidated statements of operations for the three months ended June 30, 2023.

The fair value of Fortis (enterprise value) and the fair value of nonredeemable NCI and redeemable NCI were determined based on the above-mentioned option exercise payment of $80.0 million and contingent payments up to $200.0 million, weighted with probability and expected timing of the underlying events consistent with the assumptions under the rNPV, and discounted by the Company's estimated market level cost of debt.

As of June 30, 2023, total assets and liabilities of Fortis were immaterial. For the period from the Option Acquisition Date to June 30, 2023, Fortis' net income (losses) was immaterial.

4. Equity method investment - Variable Interest Entity

Falikang is a distribution entity jointly owned by AstraZeneca and FibroGen Beijing. FibroGen Beijing owns 51.1% of the outstanding shares of Falikang.

Pursuant to the guidance under ASC 810, the Company concluded that Falikang qualifies as a VIE. As Falikang is a distribution entity and AstraZeneca is the final decision maker for all the roxadustat commercialization activities, the Company lacks the power criterion, while AstraZeneca meets both the power and economic criteria under the ASC 810 to direct the activities of Falikang that most significantly impact its performance. Therefore, the Company is not the primary beneficiary of this VIE for accounting purposes. As a result, the Company accounts for its investment in Falikang under the equity method, and Falikang is not consolidated into the Company's condensed consolidated financial statements. The Company records its total investments in Falikang as an equity method investment in an unconsolidated VIE in the condensed consolidated balance sheet. In addition, the Company recognizes its proportionate share of the reported profits or losses of Falikang as investment gain or loss in unconsolidated VIE in the condensed consolidated statement of operations and as an adjustment to its investment in Falikang in the condensed consolidated balance sheet. Falikang has not incurred material profit or loss to date. The Company may provide shareholder loans to Falikang to meet necessary financial obligations as part of its operations. To date, there has been no such loans.

The Company's equity method investment in Falikang was as follows (in thousands):

Entity	Ownership Percentage	Balance at December 31, 2022	Share of Net Income	Currency Translation	Balance at June 30, 2023
Falikang	51.1%	$ 5,061	$ 1,346	$ (295)	$ 6,112

Falikang is considered a related party to the Company. See Note 11, *Related Party Transactions*, for related disclosures.

5. Fair Value Measurements

The fair values of the Company's financial assets that are measured on a recurring basis are as follows (in thousands):

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 31,150	$ —	$ —	$ 31,150
Corporate bonds	—	22,246	—	22,246
Commercial paper	—	126,313	—	126,313
U.S. government bonds	58,457	—	—	58,457
Agency bonds	—	13,330	—	13,330
Asset-backed securities	—	2,493	—	2,493
Total	$ 89,607	$ 164,382	$ —	$ 253,989

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 19,881	$ —	$ —	$ 19,881
Corporate bonds	—	82,008	—	82,008
Commercial paper	—	57,381	—	57,381
U.S. government bonds	98,972	12,373	—	111,345
Agency bonds	—	11,468	—	11,468
Asset-backed securities	—	2,474	—	2,474
Foreign government bonds	—	4,980	—	4,980
Convertible promissory note	—	—	1,000	1,000
Total	$ 118,853	$ 170,684	$ 1,000	$ 290,537

The Company's Level 2 investments are valued using third-party pricing sources. The pricing services utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar investments, issuer credit spreads, benchmark investments, prepayment/default projections based on historical data, and other observable inputs. There were no transfers of assets between levels during the three months ended June 30, 2023. During the three months ended March 31, 2023, a total of $7.0 million of U.S. treasury notes and bills were transferred from Level 1 to Level 2 as such instruments were changed to off-the-run when they were issued before the most recent issue and were still outstanding at measurement day.

6. Balance Sheet Components

Cash and Cash Equivalents

Cash and cash equivalents consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Cash	$ 81,727	$ 135,819
Commercial paper	39,708	—
Money market funds	31,150	19,881
Total cash and cash equivalents	$ 152,585	$ 155,700

At June 30, 2023 and December 31, 2022, a total of $79.7 million and $92.5 million of the Company's cash and cash equivalents were held outside of the U.S. in its foreign subsidiaries to be used primarily for its China operations, respectively.

Investments

The Company's investments consist primarily of available-for-sale debt investments. The amortized cost, gross unrealized holding gains or losses, and fair value of the Company's investments by major investments type are summarized in the tables below (in thousands):

	June 30, 2023			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Corporate bonds	$ 22,465	$ —	$ (219)	$ 22,246
Commercial paper	86,608	—	(3)	86,605
U.S. government bonds	58,690	9	(242)	58,457
Agency bonds	13,351	7	(28)	13,330
Asset-backed securities	2,496	—	(3)	2,493
Total investments	$ 183,610	$ 16	$ (495)	$ 183,131

	December 31, 2022			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Corporate bonds	$ 83,080	$ —	$ (1,072)	$ 82,008
Commercial paper	57,381	—	—	57,381
U.S. government bonds	112,547	5	(1,207)	111,345
Agency bonds	11,690	—	(222)	11,468
Asset-backed securities	2,484	—	(10)	2,474
Foreign government bonds	5,007	—	(27)	4,980
Convertible promissory note	1,000	—	—	1,000
Total investments	$ 273,189	$ 5	$ (2,538)	$ 270,656

The following table summarizes, for all available for sale securities in an unrealized loss position, the fair value and gross unrealized loss by length of time the security has been in a continual unrealized loss position (in thousands):

	June 30, 2023					
	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses
Corporate bonds	$ 2,472	$ (11)	$ 19,773	$ (208)	$ 22,245	$ (219)
U.S. government bonds	10,852	(5)	23,372	(237)	34,224	(242)
Agency bonds	—	—	3,471	(28)	3,471	(28)
Asset-backed securities	2,493	(3)	—	—	2,493	(3)
Commercial paper	3,433	(3)	—	—	3,433	(3)
Total	$ 19,250	$ (22)	$ 46,616	$ (473)	$ 65,866	$ (495)

	December 31, 2022					
	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Losses
Corporate bonds	$ 6,738	$ (147)	$ 75,270	$ (925)	$ 82,008	$ (1,072)
U.S. government bonds	22,326	(13)	67,909	(1,194)	90,235	(1,207)
Agency bonds	—	—	11,468	(222)	11,468	(222)
Asset-backed securities	2,474	(10)	—	—	2,474	(10)
Foreign government bonds	—	—	4,980	(27)	4,980	(27)
Total	$ 31,538	$ (170)	$ 159,627	$ (2,368)	$ 191,165	$ (2,538)

At June 30, 2023, the available-for-sale investments had remaining contractual maturities of less than twelve months.

The Company periodically assesses whether the unrealized losses on its available-for-sale investments were temporary. The Company considers factors such as the severity and the reason for the decline in value and the potential recovery period and its intent to sell. For debt securities, the Company also considers whether (i) it is more likely than not that the Company will be required to sell the debt securities before recovery of their amortized cost basis, and (ii) the amortized cost basis cannot be recovered as a result of credit losses. Based on the results of its review, the Company did not recognize any impairment for its available-for-sale investments during the three and six months ended June 30, 2023 and 2022.

Inventories

Inventories consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Raw materials	$ 1,083	$ 1,241
Work-in-progress	35,347	36,003
Finished goods	4,749	3,192
Total inventories	$ 41,179	$ 40,436

Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Preclinical and clinical trial accruals	$ 43,886	$ 57,780
API and bulk drug product price true-up	36,389	75,055
Payroll and related accruals	15,234	22,562
Accrued co-promotion expenses - current	34,460	36,677
Roxadustat profit share to AstraZeneca	6,921	7,280
Property taxes and other taxes	6,322	7,691
Professional services	6,412	5,480
Current portion of liability related to sale of future revenues	4,511	—
Other	8,634	7,248
Total accrued and other current liabilities	$ 162,769	$ 219,773

The accrued liabilities of $36.4 million for API and bulk drug product price true-up as of June 30, 2023 resulted from changes in estimated variable consideration associated with the API shipments fulfilled under the terms of the Astellas Japan Amendment, the bulk drug product transferred under the terms of the Astellas Europe Agreement and the Astellas EU Supply Agreement, and the bulk drug product shipments to AstraZeneca under the terms of the AstraZeneca Master Supply Agreement. See the *Drug Product Revenue, Net* section in Note 2, *Collaboration Agreements, License Agreement and Revenues,* for details.

7. Senior Secured Term Loan Facilities

On April 29, 2023, the Company entered into a financing agreement (“Financing Agreement”) with investment funds managed by Morgan Stanley Tactical Value, as lenders (the “Lenders”), and Wilmington Trust, National Association, as the administrative agent, providing for senior secured term loan facilities consisting of (i) a $75.0 million initial term loan (the “Initial Term Loan”), (ii) a $37.5 million delayed draw term loan that will be funded upon the achievement of certain clinical development milestones (“Delayed Draw Term Loan 1”) and, (iii) an uncommitted delayed draw term loan of up to $37.5 million to be funded at the Lenders sole discretion, (“Delayed Draw Term Loan 2” and, together with the Initial Term Loan and Delayed Draw Term Loan 1, the “Term Loans”).

Pursuant to the Financing Agreement, the Lenders have funded the Initial Term Loan and, at their discretion, may provide Delayed Draw Term Loan 2 on or prior to August 31, 2023. The clinical development milestones which could have triggered Delayed Draw Term Loan 1 were not achieved.

The Term Loans shall accrue interest at a fixed rate of 14.0% per annum, payable monthly in arrears. The Term Loans shall mature on May 8, 2026. The Term Loans will not be subject to amortization payments. The Company is permitted to prepay the Term Loans from time to time, in whole or in part, subject to payment of a make-whole amount equal to the unpaid principal amount of the portion of the Term Loans being repaid or prepaid, plus accrued and unpaid interest of the portion of the Term Loans being repaid or prepaid, plus an amount equal to the remaining scheduled interest payments due on such portion of the Term Loans being repaid or prepaid as if such Term Loans were to remain outstanding until the scheduled maturity date.

On May 8, 2023, the Company received $74.1 million, representing the Initial Term Loan of $75.0 million net of $0.9 million issuance costs. The issuance costs and the related transaction costs, totaling $3.7 million is amortized as interest expense using the effective interest method over the term of the Initial Term Loan and are reported on the balance sheet as a direct deduction from the amount of the Initial Term Loan. The effective annual interest rate of the Initial Term Loan was 16.1% for the three and six months ended June 30, 2023. The Company recorded interest expense of $1.7 million for the three and six months ended June 30, 2023. As of June 30, 2023, the related accrued interest was $0.4 million The Company was in compliance with all debt covenants associated with the senior secured term loan facilities as of June 30, 2023, including maintaining a minimum balance of $30 million of unrestricted cash and cash equivalents held in accounts in the U.S.

The Company has determined that certain features embedded within the Loan should be bifurcated and accounted for separately as a derivative. At inception and as of June 30, 2023, the fair values of such derivatives were negligible due to the low probability of the underlying events.

The Company's senior secured term loan facilities as of June 30, 2023 were as follows (in thousands):

	June 30, 2023
Principal of senior secured term loan facilities	$ 75,000
Less: Unamortized issuance costs and transaction costs	(3,592)
Senior secured term loan facilities, ending balance	71,408
Less: Current Portion classified to accrued and other current liabilities	—
Senior secured term loan facilities, non-current	$ 71,408

8. Liability Related to Sale of Future Revenues

On November 4, 2022, the Company entered into a Revenue Interest Financing Agreement (the "RIFA") with an affiliate of NovaQuest Capital Management ("NovaQuest"), pursuant to which the Company granted NovaQuest 22.5% of its drug product revenue and 10.0% (20.0% for fiscal year 2028 and thereafter) of its revenue from milestone payments that it is entitled to under the Astellas Agreements, for a consideration of $50.0 million ("Investment Amount") before advisory fees.

In November 2022, the Company received the Investment Amount, net of initial issuance costs, and accounted for it as long-term debt based on the terms of the RIFA because the risks and rewards to NovaQuest are limited by the terms of the transaction. The related debt discount and transaction costs are amortized as interest expense based on the projected balance of the liability as of the beginning of each period. As payments are made to NovaQuest, the balance of the liability related to sale of future revenues is being effectively repaid over the life of the RIFA. The payments to NovaQuest are accounted for as a reduction of debt.

The Company may prepay its obligations to NovaQuest in full at any time during the term of RIFA. The prepayment amount varies from $80.0 million to $125.0 million less any revenue interest payments made up to such prepayment date. Under the RIFA the Company shall pay to NovaQuest up to a specified maximum amount ("Payment Cap") of (a) $100.0 million, if the payment is made on or before December 31, 2028; (b) $112.5 million, if the payment is made on or after January 1, 2029, but on or before December 31, 2029; or (c) $125.0 million, if the payment is made after January 1, 2030.

After January 1, 2028, if the product (as defined) is not commercialized for a consecutive twelve-month period, then, the payments owed under the RIFA by the Company to NovaQuest for each fiscal year shall be the greater of: (i) the amount which would otherwise be due pursuant to revenue interest payments terms; or (ii) $10.0 million.

Before December 31, 2028, if the sum of all payments under the RIFA paid to NovaQuest, does not equal or exceed $62.5 million, then the Company shall pay NovaQuest the difference of these two amounts by no later than March 1, 2029. If, by no later than December 31, 2030, the sum of all payments under the RIFA paid to NovaQuest does not equal or exceed $125.0 million, then the Company shall pay NovaQuest the difference of these two amounts by no later than March 1, 2031.

NovaQuest will retain this entitlement until it has reached the Payment Cap, at which point 100% of such revenue interest on future global net sales of Astellas will revert to the Company.

Over the course of the RIFA, the effective interest rate is affected by the amount and timing of drug product revenue and revenue from milestone payments recognized, the changes in the timing of forecasted drug product revenue and revenue from milestone payments, and the timing of the Company's payments to NovaQuest. On a quarterly basis, the Company reassesses the expected total revenue and the timing of such revenue, recalculates the amortization of debt discount and transactions costs and effective interest rate, and adjusts the accounting prospectively as needed. The Company's estimated effective annual interest rate was 15.95% for the three and six months ended June 30, 2023.

The following table summarizes the activities of the liability related to sale of future revenues for the six months ended June 30, 2023:

	Six Months Ended June 30, 2023
Liability related to sale of future revenues - beginning balance	$ 49,333
Interest expense recognized	3,577
Liability related to sale of future revenues - ending balance	52,910
Less: Current portion classified to accrued and other current liabilities	(4,511)
Liability related to sale of future revenues, non-current	$ 48,399

During the three and six months ended June 30, 2023, the Company recognized, under Astellas Agreements, development revenue of $1.8 million and $3.5 million, respectively, and drug product revenue of $14.3 million and $16.4 million, respectively. See Note 2, *Collaboration Agreements, License Agreement and Revenue*, for details.

During the three and six months ended June 30, 2023, the Company recognized the related non-cash interest expense of $1.3 million and $3.6 million, respectively.

Based on the current estimates of drug product revenue and revenue from milestone payments under the Astellas Agreements, and taking into the consideration of the terms discussed above, the Company anticipates to reach a Payment Cap up to $125.0 million by 2031.

9. At-the-Market Program

On February 27, 2023, the Company entered into an Amended and Restated Equity Distribution Agreement (the “at-the-market agreement”) with Goldman Sachs & Co., LLC and BofA Securities, Inc. (each a “Sales Agent”), which amended and restated its Equity Distribution Agreement with Goldman Sachs & Co., LLC, dated August 8, 2022, to add BofA Securities, Inc. as an additional Sales Agent under that agreement. Under the at-the-market agreement, the Company may issue and sell, from time to time and through the Sales Agents, shares of its common stock having an aggregate offering price of up to $200.0 million (the “ATM Program”).

For the three and six months ended June 30, 2023, the Company sold 930,511 and 2,472,090 shares under the ATM Program, respectively, for proceeds of approximately $17.3 million and $48.4 million, respectively, net of commissions to Sales Agents, at a weighted-average offering prices per share of $18.61 and $19.63, respectively.

10. Income Taxes

Provisions for (benefits from) income tax for the three and six months ended June 30, 2023 and 2022 were primarily due to foreign taxes.

Based upon the weight of available evidence, which includes its historical operating performance, reported cumulative net losses since inception, the Company has established and continues to maintain a full valuation allowance against its net deferred tax assets as it does not currently believe that realization of those assets is more likely than not.

11. Related Party Transactions

Astellas is an equity investor in the Company and is considered a related party. The Company recorded license and development revenue related to collaboration agreements with Astellas of $1.8 million for each of the three months ended June 30, 2023 and 2022, and $3.5 million and $29.6 million for the six months ended June 30, 2023 and 2022, respectively. The Company also recorded drug product revenue from Astellas of $14.3 million and $1.1 million for the three months ended June 30, 2023 and 2022, and $16.4 million and $8.7 million for the six months ended June 30, 2023 and 2022, respectively. See Note 2, *Collaboration Agreements, License Agreement and Revenues*, for details.

The Company’s expense related to collaboration agreements with Astellas was immaterial for each of the three and six months ended June 30, 2023 and 2022.

As of June 30, 2023 and December 31, 2022, accounts receivable from Astellas were $8.9 million and $1.5 million, respectively.

As of June 30, 2023 and December 31, 2022, total deferred revenue from Astellas was $15.5 million and $40.3 million, respectively.

As of June 30, 2023, the amounts due to Astellas, included in accounts payable, accrued and other current liabilities, and other long-term liabilities, totaled $30.4 million. As of December 31, 2022, the amount due to Astellas, included in accrued and other current liabilities, was $63.9 million.

Falikang, an entity jointly owned by FibroGen Beijing and AstraZeneca is an unconsolidated VIE accounted for as an equity method investment, and considered as a related party to the Company. FibroGen Beijing owns 51.1% of Falikang's equity. See Note 4, *Equity method investment - Variable Interest Entity*, for details.

The net product revenue from Falikang was $20.5 million and $19.7 million for the three months ended June 30, 2023 and 2022, and $41.9 million and $36.0 million for the six months ended June 30, 2023 and 2022, respectively. See the *Product Revenue, Net* section in Note 2, *Collaboration Agreements, License Agreement and Revenues*, for details.

The investment income in Falikang was $0.6 million for each of the three months ended June 30, 2023 and 2022, and $1.3 million and $0.9 million for the six months ended June 30, 2023 and 2022, respectively. As of June 30, 2023 and December 31, 2022, the Company's equity method investment in Falikang was $6.1 million and $5.1 million, respectively. See Note 4, *Equity method investment - Variable Interest Entity*, for details. The other income from Falikang was immaterial for each of the three and six months ended June 30, 2023 and 2022.

As of June 30, 2023 and December 31, 2022, accounts receivable, net, from Falikang, were $11.0 million and $10.5 million, respectively.

12. Commitments and Contingencies

Contract Obligations

As of June 30, 2023, the Company had outstanding total non-cancelable purchase obligations of $40.8 million, including $22.4 million for manufacture and supply of pamrevlumab, $2.5 million for manufacture and supply of roxadustat, and $15.9 million for other purchases and programs. The Company expects to fulfill its commitments under these agreements in the normal course of business, and as such, no liability has been recorded.

Some of the Company's license agreements provide for periodic maintenance fees over specified time periods, as well as payments by the Company upon the achievement of development, regulatory and commercial milestones. As of June 30, 2023, future milestone payments for research and preclinical stage development programs consisted of up to approximately $697.9 million in total potential future milestone payments under the Company's license agreements with HiFiBiO (for Gal-9 and CCR8), Medarex, Inc. and others. These milestone payments generally become due and payable only upon the achievement of certain developmental, clinical, regulatory and/or commercial milestones. The event triggering such payment or obligation has not yet occurred.

As of June 30, 2023, the Company had $84.8 million of operating lease liabilities.

In addition, see Note 7, *Senior Secured Term Loan Facilities* and Note 8, *Liability Related to Sale of Future Revenues* for details of the related obligations.

Legal Proceedings and Other Matters

From time to time, the Company is a party to various legal actions, both inside and outside the U.S., arising in the ordinary course of its business or otherwise. The Company accrues amounts, to the extent they can be reasonably estimated, that the Company believes will result in a probable loss (including, among other things, probable settlement value) to adequately address any liabilities related to legal proceedings and other loss contingencies. A loss or a range of loss is disclosed when it is reasonably possible that a material loss will incur and can be estimated, or when it is reasonably possible that the amount of a loss, when material, will exceed the recorded provision. The Company did not have any material accruals for any active legal action in its condensed consolidated balance sheet as of June 30, 2023, as the Company could not predict the ultimate outcome of these matters, or reasonably estimate the potential exposure.

Between April 2021 and May 2021, five putative securities class action complaints were filed against FibroGen and certain of its current and former executive officers (collectively, the "Defendants") in the U.S. District Court for the Northern District of California. The lawsuits allege that Defendants violated the Securities Exchange Act of 1934 by making materially false and misleading statements regarding FibroGen's Phase 3 clinical studies data and prospects for U.S. Food and Drug Administration approval. On August 30, 2021, the Court consolidated the actions and appointed a group of lead plaintiffs. Plaintiffs filed their consolidated amended complaint on October 29, 2021 and a corrected consolidated amended complaint on November 19, 2021 (the "Complaint"). The Complaint alleges false and misleading statements between December 2018 and June 2021 and seeks to represent a class of persons or entities that purchased FibroGen securities between December 20, 2018 and July 15, 2021. On July 15, 2022, the court issued an order denying Defendants' motions to dismiss. Defendants answered the Complaint on September 13, 2022 and discovery is ongoing. On January 27, 2023, Plaintiffs filed a motion for class certification. On May 12, 2023, Defendants filed their opposition to Plaintiffs' motion for class certification and Plaintiffs filed their reply on June 23, 2023. On June 8, 2023, Plaintiffs filed a motion for spoliation sanctions against Dr. Yu and the Company. Defendants filed their opposition to the motion for spoliation sanctions on July 17, 2023 and Plaintiffs' reply is due August 11, 2023. A hearing on both motions is scheduled for August 31, 2023. On May 25, 2023, another complaint was filed against the same defendants, asserting similar claims as the class action and additional common-law and California state fraud claims. The parties have stipulated to a briefing schedule on Defendants' forthcoming motion to dismiss, which will be due on September 20, 2023.

On July 30, 2021, a purported shareholder derivative complaint was filed in the U.S. District Court for the Northern District of California (the "California Federal Derivative"). On December 27, 2021, a second purported shareholder derivative complaint was filed in the U.S. District Court for the District of Delaware (the "Delaware Federal Derivative"). On April 14, 2022, a third purported shareholder derivative complaint was filed in the Delaware Court of Chancery (the "First Delaware Chancery Derivative"). On June 1, 2023, a fourth purported shareholder derivative complaint was filed in the Delaware Court of Chancery (the "Second Delaware Chancery Derivative"). All four derivative actions name FibroGen's current and former officers and directors as defendants, as well as FibroGen as nominal defendant, and assert state and federal claims based on some of the same alleged misstatements as the securities class action complaint. The complaints seek unspecified damages, attorneys' fees, and other costs. The California Federal Derivative action and the Delaware Federal Derivative action are stayed pending the resolution of any motions for summary judgment in the securities class action. The First and Second Delaware Chancery Derivative actions have been consolidated and the plaintiffs have not yet filed an amended complaint, but have expressed their intent to do so. On June 30, 2023, a fifth derivative action was filed in the U.S. District Court for the District of Delaware (the "Demand Refused Derivative"). The Demand Refused Derivative action names FibroGen's current and former officers, as well as FibroGen as nominal defendant, and asserts state and federal claims based on some of the same alleged misstatements as the securities class action complaint. The Company has not been served in the Demand Refused Derivative.

The Company believes that the claims are without merit and it intends to vigorously defend against them. However, any litigation is inherently uncertain, and any judgment or injunctive relief entered against FibroGen or any adverse settlement could materially and adversely impact its business, results of operations, financial condition, and prospects.

In the fourth quarter of 2021, the Company received a subpoena from the SEC requesting documents related to roxadustat's pooled cardiovascular safety data. The Company is fully cooperating with the SEC. The Company cannot predict with any degree of certainty the outcome of the SEC's investigation or determine the extent of any potential liabilities. The Company also cannot predict whether there will be any loss as a result of the investigation nor can it provide an estimate of the possible loss or range of loss. Any adverse outcome in this matter or any related proceeding could expose the Company to substantial damages, penalties, or reputational harm that may have a material adverse impact on the Company's business, results of operations, financial condition, growth prospects, and price of its common stock.

Between August 3, 2022 and August 4, 2022, the Company's Board of Directors received three litigation demands from purported shareholders of the Company, asking the Board of Directors to investigate and take action against certain current and former officers and directors of the Company for alleged wrongdoing based on the same allegations in the pending derivative and securities class action lawsuits. On March 27, 2023, the Company's Board of Directors received another litigation demand from a purported shareholder of the Company, seeking similar action as the other litigation demands. The Company may in the future receive such additional demands.

Starting in October 2021, certain challenges have been filed with the China National Intellectual Property Administration against patents which claim a crystalline form of roxadustat. Final resolution of such proceedings will take time and the Company could not predict the ultimate outcome, or reasonably estimate the potential exposure.

Indemnification Agreements

The Company enters into standard indemnification arrangements in the ordinary course of business, including for example, service, manufacturing and collaboration agreements. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, including in connection with intellectual property infringement claims by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The Company has entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers to the extent permissible under applicable law. The maximum potential amount of future payments the Company could be required to make under these arrangements is not determinable. The Company has never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the estimated fair value of these arrangements is minimal.

13. Subsequent Event

On July 14, 2023, the Company approved a restructuring plan (the "Plan") to lower the Company's operating expenses. The Plan includes an expected reduction to the Company's U.S. workforce of approximately 32%. The Company estimates that it will incur non-recurring payments in the range of $13 million to $15 million in connection with the Plan, primarily consisting of notice period and severance payments, accrued vacation and employee benefits contributions. The Company's estimates are subject to a number of assumptions, and actual costs may differ materially. The Company expects that the majority of the restructuring charges will be recognized in the third quarter of 2023 and that the implementation of the headcount reductions, including cash payments, will be substantially complete by the end of the first quarter of 2024. The Plan is in connection with the Company's efforts to streamline operations to align with the Company's business goals. The Company may incur additional expenses not currently contemplated due to events associated with the Plan.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q, and in our Securities and Exchange Commission ("SEC") filings, including our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 27, 2023 ("2022 Form 10-K").

FORWARD-LOOKING STATEMENTS

The following discussion and information contained elsewhere in this Quarterly Report on Form 10-Q contain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), Section 27A of the Securities Act of 1933, as amended ("Securities Act") and within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are often identified by the use of words such as "may," "will," "expect," "anticipate," "intend," "could," "should," "estimate," or "continue," and similar expressions or variations. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Such forward-looking and other statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors," set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q. The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Quarterly Report on Form 10-Q. We anticipate that subsequent events and developments will cause our views to change. New risks emerge from time to time, and it is not possible for our management to predict all risks, 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 and other statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking and other statements. While we may elect to update these forward-looking and other statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking and other statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q and are cautioned not to place undue reliance on such forward-looking statements.

BUSINESS OVERVIEW

We are headquartered in San Francisco, California, with subsidiary offices in Beijing and Shanghai, People's Republic of China ("China"). We are a leading biopharmaceutical company discovering, developing and commercializing a pipeline of first-in-class therapeutics. Our lead product candidate and product are pamrevlumab and roxadustat, respectively. We apply our pioneering expertise in hypoxia-inducible factor ("HIF") biology, 2-oxoglutarate enzymology, and connective tissue growth factor biology to advance innovative medicines for the treatment of anemia, fibrotic disease, and cancer.

Pamrevlumab, a human monoclonal antibody targeting connective tissue growth factor, is in Phase 3 clinical development for the treatment of locally advanced unresectable pancreatic cancer ("LAPC"), and ambulatory Duchenne muscular dystrophy ("DMD"). Pamrevlumab is also in Phase 2/3 development for the treatment of metastatic pancreatic cancer. To date, we have retained exclusive worldwide rights for pamrevlumab.

Roxadustat is an oral small molecule inhibitor of HIF prolyl hydroxylase ("HIF-PH") activity. Roxadustat (□□□®, EVRENZO™) is approved in China, Europe, Japan, and numerous other countries for the treatment of anemia in chronic kidney disease ("CKD") for patients who are on dialysis and not on dialysis. Roxadustat is in clinical development for chemotherapy-induced anemia ("CIA") in China.

Our goal is to build a diversified pipeline with novel drugs that will address unmet patient needs in oncology, immunology, and fibrosis.

Financial Highlights

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands, except for per share data)			
Result of Operations				
Revenue	$ 44,319	$ 29,806	$ 80,480	$ 90,633
Operating costs and expenses	132,367	108,030	244,618	231,849
Net loss	(87,680)	(72,624)	(164,385)	(135,829)
Net loss per share - basic and diluted	$ (0.90)	$ (0.78)	$ (1.71)	$ (1.46)

	June 30, 2023	December 31, 2022
	(in thousands)	
Balance Sheet		
Cash and cash equivalents	$ 152,585	$ 155,700
Short-term and long-term investments	183,131	270,656
Accounts receivable	$ 25,599	$ 16,299

Our revenue for the three and six months ended June 30, 2023 included primarily the revenue recognized related to the following:

•$23.9 million and $48.0 million of net product revenue from roxadustat commercial sales in China;

•$14.3 million and $16.4 million of drug product revenue related to active pharmaceutical ingredient (“API”) deliveries to Astellas;

•$4.1 million and $7.8 million of development revenue recognized under our collaboration agreements with our partners Astellas Pharma Inc. (“Astellas”) and AstraZeneca AB (“AstraZeneca”); and

•$1.0 million upfront payment for the second quarter of 2023 and a $3.0 million milestone payment based on Eluminex Biosciences (Suzhou) Limited (“Eluminex”) implanting a biosynthetic cornea in the first patient of its clinical trial in China and a $3.0 million manufacturing related milestone payment in the first quarter of 2023 for the first quarter of 2023, recognized under our license agreement and amendments with Eluminex.

As a comparison, our revenue for the three and six months ended June 30, 2022 included primarily the revenue recognized related to the following:

•$5.2 million and $16.2 million development revenue recognized under our collaboration agreements with our partners Astellas and AstraZeneca;

•$23.3 million and $42.1 million of net product revenue from roxadustat commercial sales in China; and

•$1.1 million and $8.7 million of drug product revenue related to API deliveries to Astellas.

Our revenue for the six months ended June 30, 2022 also included $25.0 million regulatory milestone recognized during the three months ended March 31, 2022 under our collaboration agreements with Astellas associated with the approval of EVRENZO®(roxadustat) in Russia. Of this amount, $22.6 million was recognized as license revenue and the remainder included as development revenue.

Operating costs and expenses for the three months ended June 30, 2023 increased compared to the same period a year ago primarily as a result of the net effect of the following:

•$24.6 million one-time, non-cash charge of acquired in-process research and development (“IPR&D”) expenses associated with the recent exclusive license for FOR46 (now referred to as “FG-3246”) from Fortis Therapeutics (“Fortis”) and the acquisition of Fortis;

•$4.3 million higher employee-related expenses primarily due to overall merit increase, more business travel activities and higher severance during the current year period;

•$3.3 million higher clinical trial expenses primarily associated with Phase 3 trials and data for pamrevlumab, offset by lower roxadustat post-approval safety studies in China; and

•$7.6 million lower drug development expenses associated with drug substance and drug product manufacturing activities related to pamrevlumab which was largely completed in the prior year.

Operating costs and expenses for the six months ended June 30, 2023 increased compared to the same period a year ago primarily as a result of the net effect of the following:

•$24.6 million one-time, non-cash charge of acquired IPR&D expenses associated with the recent exclusive license for FG-3246 from Fortis and the acquisition of Fortis;

•$8.0 million higher employee-related expenses primarily due to overall merit increase, more business travel activities and higher severance during the current year period, and

•$21.5 million lower drug development expenses associated with drug substance and drug product manufacturing activities related to roxadustat post-approval safety studies in China and pamrevlumab which were largely completed in the prior periods.

For the three months ended June 30, 2023, we had a net loss of $87.7 million, or a net loss per basic and diluted share of $0.90, as compared to a net loss of $72.6 million, or a net loss per basic and diluted share of $0.78, for the same period a year ago, due to increases in operating costs and expenses, offset by increases in revenue, as discussed above.

For the six months ended June 30, 2023, we had a net loss of $164.4 million, or a net loss per basic and diluted share of $1.71, as compared to a net loss of $135.8 million, or a net loss per basic and diluted share of $1.46, for the same period a year ago, due to decreases in revenue and increases in operating costs and expenses as discussed above.

Cash and cash equivalents, investments, and accounts receivable totaled $361.3 million at June 30, 2023, a decrease of $81.3 million from December 31, 2022, primarily due to the cash used in operations, partially offset by the net proceeds received under our senior secured term loan facilities and at-the-market program, discussed under the *Liquidity and Capital Resources* section below.

Commercial, Development and Research Programs

Our goals are to continue our commercialization of roxadustat in China and other approved countries, continue our development of pamrevlumab in three indications, and build a diversified pipeline with novel drugs that will address unmet patient needs in oncology, immunology, and fibrosis.

The following is an overview of our clinical, commercial, and research programs.

Pamrevlumab: Monoclonal Antibody Targeting Connective Tissue Growth Factor

Pamrevlumab is our first-in-class antibody developed to inhibit the activity of connective tissue growth factor, a common factor in fibrotic and fibro-proliferative disorders characterized by persistent and excessive scarring that can lead to organ dysfunction and failure.

The United States (“U.S.”) Food and Drug Administration has granted Fast Track and Orphan Drug designations to pamrevlumab for the treatment of LAPC, and DMD (with DMD also receiving Rare Pediatric Disease designation).

Pamrevlumab for the Treatment of Locally Advanced Unresectable Pancreatic Cancer

LAPIS is our double-blind placebo-controlled Phase 3 clinical program for pamrevlumab as a therapy for LAPC. We completed enrollment of 284 patients that are randomized at a 1:1 ratio to receive either pamrevlumab or placebo, in each case in combination with chemotherapy (either FOLFIRINOX or gemcitabine plus nab-paclitaxel). We expect topline data for the primary endpoint of overall survival in the first quarter of 2024.

Pamrevlumab for the Treatment of Metastatic Pancreatic Cancer

In June 2021, the Pancreatic Cancer Action Network’s (PanCAN) Precision Promise^{SM} Phase 2/3 registration study, an adaptive trial platform, included pamrevlumab in combination with standard of care chemotherapy treatments for pancreatic cancer (gemcitabine and Abraxane®), for patients with metastatic pancreatic cancer. Drug candidates in the Precision Promise study will continue to progress (including from Phase 2 to Phase 3) unless stopped sooner for safety or futility. The pamrevlumab combination therapy is offered to patients as either a first- or second-line treatment option. Pamrevlumab was the first experimental treatment arm to be offered as a first-line treatment in PanCAN’s innovative Precision Promise trial. The objective of Precision Promise is to expedite the study and approval of promising therapies for pancreatic cancer by bringing multiple stakeholders together, including academic, industry and regulatory entities. The pamrevlumab portion of the trial is still ongoing, fully enrolled, and we expect topline results in the first half of 2024.

Pamrevlumab for the Treatment of Duchenne Muscular Dystrophy

Ambulatory DMD Patients

LELANTOS-2 is our double-blind, placebo-controlled Phase 3 trial evaluating pamrevlumab in ambulatory DMD, in combination with systemic corticosteroids. LELANTOS-2 completed enrollment of 73 ambulatory patients aged 6-12, randomized at a 1:1 ratio to pamrevlumab or placebo for a treatment period of 52 weeks. The primary efficacy endpoint will assess ambulatory function, measured by the change in North Star Ambulatory Assessment from baseline to Week 52. We expect topline data from this study in August 2023.

Non-Ambulatory DMD Patients

In June 2023, we announced topline data from our 99 patient Phase 3 LELANTOS-1 placebo-controlled trial of pamrevlumab for the treatment of non-ambulatory patients (age 12 years and older) with DMD on background corticosteroids. The study did not meet the primary endpoint of Performance of the Upper Limb 2.0 (PUL 2.0) score at Week 52 compared to baseline. In addition, none of the secondary endpoints were met (including change from baseline to Week 52 in forced vital capacity ("FVC") percent predicted, grip strength, and left ventricular ejection fraction percentage measured by MRI). Pamrevlumab was generally safe and well tolerated and the majority of treatment emergent adverse events were mild or moderate.

FibroGen plans to present the complete results of the LELANTOS-1 study at an upcoming medical conference and to publish the full results.

Pamrevlumab for the Treatment of Idiopathic Pulmonary Fibrosis

In June 2023, we announced topline results from our Phase 3 ZEPHYRUS-1 trial evaluating the safety and efficacy of pamrevlumab in patients with idiopathic pulmonary fibrosis. The study compared treatment with pamrevlumab to placebo and did not meet the primary endpoint of change from baseline in FVC at Week 48 (p=0.29). The mean decline in FVC from baseline to Week 48 was 260 ml in the pamrevlumab arm compared to 330 ml in the placebo arm (placebo-corrected difference of 70 ml; 95% CI -60 to 190 ml). The secondary endpoint of time to disease progression (FVC percent predicted decline of ≥10% or death) was also not met (HR= 0.78; 95% CI 0.52 to 1.15).

In the safety analysis, pamrevlumab was generally safe and well tolerated and the majority of treatment emergent adverse events were mild or moderate. Treatment-emergent serious adverse events were observed in 28.2% of patients in the pamrevlumab group and 34.3% of patients in the placebo group.

Based on the results of ZEPHYRUS-1, ZEPHYRUS-2, the second Phase 3 clinical trial,has been discontinued. FibroGen plans to communicate the results of the ZEPHYRUS-1 study at an upcoming medical forum.

Roxadustat for the Treatment of Anemia in Chronic Kidney Disease

Roxadustat is our commercial-stage product, an oral small molecule inhibitor of HIF-PH activity that acts by stimulating the body's natural pathway of erythropoiesis, or red blood cell production.

Roxadustat (□□□®, EVRENZO™) is approved in China, Europe, Japan, and numerous other countries for the treatment of anemia in CKD for patients who are on dialysis and not on dialysis.

In China, roxadustat (tradename: □□□®) continues to see significant volume growth in the treatment of anemia caused by CKD in non-dialysis and dialysis patients. In the second quarter of 2023, roxadustat achieved an over 40% increase in sales volume relative to the second quarter of 2022. As of May 2023, roxadustat was the top CKD anemia brand in China with approximately 39% value share within the segment of erythropoiesis stimulating agents and HIF-PH inhibitors (roxadustat is currently the only HIF-PH inhibitor on the market in China).

Roxadustat for the Treatment of Chemotherapy-Induced Anemia

In May 2023, we announced positive topline data from our Phase 3 clinical study of roxadustat for treatment of anemia in patients receiving concurrent chemotherapy treatment for non-myeloid malignancies in China. Roxadustat (□□□®) demonstrated non-inferiority compared to recombinant erythropoietin alfa (SEPO®) on the primary endpoint of change in hemoglobin (Hb) level from baseline to the average level during Weeks 9-13.

In the preliminary safety analysis, the adverse event profile of roxadustat was generally consistent with previous findings and supportive of a positive benefit risk in this patient population.

A total of 159 patients with non-myeloid malignancy (solid tumor) with a baseline hemoglobin level at or below 10 g/dL were enrolled into this Phase 3, randomized, open-label, active-controlled study investigating the efficacy and safety of roxadustat for treatment of CIA. Patients were randomly assigned roxadustat or erythropoietin alfa three times per week (TIW), during a treatment period of 12 weeks, with an additional 4-week follow-up period. Detailed results from the study will be submitted for presentation at an upcoming medical conference.

We recently submitted our supplemental New Drug Application for roxadustat in CIA with the China Health Authority.

Although CIA is one of the most common side effects of chemotherapy, it is frequently undertreated. CIA can adversely affect long-term patient outcomes, as anemia limits both quality of life and of the ability of patients to continue chemotherapy treatment. The incidence and severity of CIA depends on a variety of factors. This includes the type of cancer and the treatment, including the type of chemotherapy, schedule, and intensity of therapy. It also depends on whether the patient has received prior myelosuppressive chemotherapy, radiation therapy, or both. Almost 80% of cancer patients in China receiving chemotherapy develop anemia. Approximately 50% of cancer patients in China receiving chemotherapy develop severe anemia that merits treatment (hemoglobin under 10g/dL). In China, over 3 million cancer patients undergo chemotherapy.

FG-3246: Prostate Cancer; Potential Additional Cancer Indications

In May 2023 we obtained an exclusive license to develop FG-3246 (previously FOR46) in metastatic castration-resistant prostate cancer (“mCRPC”) and other cancer indications. FG-3246 is a first-in-class antibody-drug conjugate targeting a novel epitope on CD46 that is expressed at high levels in certain tumor types with limited expression in most normal tissues. The cytotoxic payload of FG-3246 is monomethyl auristatin E, an anti-mitotic agent that has been utilized in four commercially approved antibody-drug conjugate drugs.

FG-3246 showed monotherapy efficacy in a Phase 1 clinical study in patients with mCRPC, with a PSA50 response rate of 45% and an objective partial response rate of 19%. An investigator sponsored trial of FG-3246 plus enzalutimide is ongoing. Side effects have been manageable and are consistent with other monomethyl auristatin E-based antibody-drug conjugate drugs.

We anticipate the initiation of a PET biomarker driven Phase 2 trial of FG-3246 for mCRPC in the second half of 2024. Development of the CD46-targeted PET biomarker is currently underway with UCSF, a collaborator of Fortis. We are also exploring additional potential tumor indications in which CD46 is commonly expressed.

Preclinical Pipeline

Our preclinical pipeline consists of two antibodies for immuno-oncology that are in investigational new drug application (“IND”)-enabling studies, and an additional small molecule drug discovery pipeline that leverages the expertise we developed through our HIF-PH inhibitor programs in 2 oxoglutarate dependent dioxygenase biology.

FG-3165 is a galectin-9 (“Gal9”) targeted antibody under development for treatment of solid tumors characterized by high Gal9 levels of expression. Gal9 has been reported to bind to multiple immune checkpoints on lymphocytes that suppress T and natural killer cell activation. In preclinical studies FG-3165 and its variants inhibit Gal9 mediated T cell death, and also promotes anti-tumor immune responses in combination with other immune checkpoint targeted drugs. We plan to submit an IND in the first quarter of 2024.

FG-3175 is a c-c motif chemokine receptor 8 (“CCR8”) targeted antibody under development for treatment of solid tumors that are highly infiltrated by CCR8-positive T regulatory cells. T regulatory cells contribute to an immune suppressed tumor microenvironment, and multiple preclinical studies have demonstrated immune activation and tumor regression following depletion of this cell type from the tumor microenvironment. FG-3175 is a variant of our previous lead anti-CCR8 antibody, FG-3163, and was deemed to be a superior clinical candidate following extended characterization of both antibodies. FG-3175 has enhanced antibody dependent cellular cytotoxicity activity and induces potent killing of CCR8 expressing cells by natural killer cells in in vitro assay systems. An IND is planned for the second half of 2024.

The 2 oxoglutarate dependent dioxygenase targeted small molecule pipeline is being developed to target cancer epigenetic pathways that contribute to tumor proliferation.

Debt Financing Agreement

On April 29, 2023, we entered into a financing agreement (the “Financing Agreement”) with a $75.0 million senior secured term loan with investment funds managed by Morgan Stanley Tactical Value, as lenders, and Wilmington Trust, National Association, as the administrative agent.

For additional details about this financing transaction, see Note 7, *Senior Secured Term Loan Facilities*, to the condensed consolidated financial statements.

Exclusive License and Option to Acquire Fortis Therapeutics

On May 5, 2023, we entered into an exclusive option agreement to acquire Fortis with its novel Phase 1 antibody-drug conjugate, FG-3246 (previously FOR46), that targets a novel epitope on CD46 preferentially expressed on certain cancer cells. FG-3246 is in development for the treatment of metastatic castration-resistant prostate cancer with potential applicability in other solid tumors and hematologic malignancies.

Pursuant to an evaluation agreement entered into with Fortis concurrent with the option agreement, FibroGen has exclusively licensed FG-3246 and will control and fund future research, development, including a Phase 2 clinical study sponsored by FibroGen, and manufacturing of FG-3246 during the option period. As part of the clinical development strategy, we will continue the work to develop a PET-based biomarker utilizing a radiolabeled version of the targeting antibody for patient selection.

FibroGen will pay Fortis $5.0 million during the up to four-year option period in support of their continued development obligations.

If we exercise the option to acquire Fortis, we will pay Fortis $80.0 million, and thereafter, Fortis would be eligible to receive from FibroGen up to $200.0 million in contingent payments associated with the achievement of various regulatory approvals. If we acquire Fortis, we would also be responsible to pay UCSF, an upstream licensor to Fortis, development milestone fees and a single digit royalty on net sales of therapeutic or diagnostic products arising from the collaboration. If FibroGen chooses not to acquire Fortis, its exclusive license to FG-3246 would expire.

For additional details about this transaction, see Note 3, *Exclusive License and Option to Acquire Fortis Therapeutics*, to the condensed consolidated financial statements.

Eluminex Agreement

In April 2023, FibroGen and Eluminex entered into an Amended and Restated Exclusive License Agreement (“A&R Eluminex Agreement”) in order to add to the license rights to recombinant human collagen Type I (in addition to the rights to collagen Type III that were already licensed). The A&R Eluminex Agreement included additional total upfront payments of $1.5 million.

During the three months ended June 30, 2023, we recognized a $1.0 million upfront payment under the above amendment. During the three months ended March 31, 2023, we recognized a $3.0 million milestone payment based on Eluminex implanting a biosynthetic cornea in the first patient of its clinical trial in China, and a $3.0 million manufacturing related milestone payment.

See the *Eluminex Agreement* section in Note 2, *Collaboration Agreements, License Agreement and Revenues,* to the condensed consolidated financial statements for details.

Collaboration Partnerships for Roxadustat

Our current and future research, development, manufacturing and commercialization efforts with respect to roxadustat depend on funds from our collaboration agreements with Astellas and AstraZeneca. See Note 2, *Collaboration Agreements, License Agreement and Revenues*, to the condensed consolidated financial statements for details.

Astellas

In June 2005, we entered into a collaboration agreement with Astellas for the development and commercialization (but not manufacture) of roxadustat for the treatment of anemia in Japan ("Astellas Japan Agreement"). In April 2006, we entered into a separate collaboration agreement with Astellas for roxadustat for the treatment of anemia in Europe, the Commonwealth of Independent States, the Middle East, and South Africa ("Astellas Europe Agreement"). Under these agreements, the aggregate amount of consideration received through June 30, 2023 totaled $790.1 million.

On March 21, 2022, EVRENZO® (roxadustat) was registered with the Russian Ministry of Health. We evaluated the regulatory milestone payment associated with the approval in Russia under the Astellas Europe Agreement and concluded that this milestone was achieved in the first quarter of 2022. Accordingly, the consideration of $25.0 million associated with this milestone was included in the transaction price and allocated to performance obligations under the Astellas Europe Agreement, all of which was recognized as revenue during the first quarter of 2022 from performance obligations satisfied.

In 2018, we and Astellas entered into an amendment to the Astellas Japan Agreement that allows Astellas to manufacture roxadustat drug product for commercialization in Japan (the "Astellas Japan Amendment"). The related drug product revenue was $13.8 million and $15.5 million for the three and six months ended June 30, 2023, respectively, and $7.6 million for the six months ended June 30, 2022. The related drug product revenue was immaterial for the three months ended June 30, 2022.

During the first quarter of 2021, we entered into an EU Supply Agreement with Astellas under the Astellas Europe Agreement to define general forecast, order, supply and payment terms for Astellas to purchase roxadustat bulk drug product from FibroGen in support of commercial supplies (the "Astellas EU Supply Agreement"). The related drug product revenue was $0.5 million and $1.1 million for the three months ended June 30, 2023 and 2022, $0.8 million and $1.1 million for the six months ended June 30, 2023 and 2022, respectively.

AstraZeneca

In July 2013, we entered into a collaboration agreement with AstraZeneca for roxadustat for the treatment of anemia in the U.S. and all territories not previously licensed to Astellas, except China (the "AstraZeneca U.S./RoW Agreement"). In July 2013, through our China subsidiary and related affiliates, we entered into a collaboration agreement with AstraZeneca for roxadustat for the treatment of anemia in China (the "AstraZeneca China Agreement"). Under the AstraZeneca agreements, the aggregate amount of consideration received through June 30, 2023 totaled $516.2 million.

Under the AstraZeneca China Agreement, which is conducted through FibroGen China Anemia Holdings, Ltd., FibroGen (China) Medical Technology Development Co., Ltd. ("FibroGen Beijing"), and FibroGen International (Hong Kong) Limited (collectively, ("FibroGen China"), the commercial collaboration was structured as a 50/50 profit share, which was amended by the AstraZeneca China Amendment in the third quarter of 2020, as discussed and defined below in *AstraZeneca China Amendment*.

In 2020, we entered into a Master Supply Agreement with AstraZeneca under the AstraZeneca U.S./RoW Agreement (the "AstraZeneca Master Supply Agreement") to define general forecast, order, supply and payment terms for AstraZeneca to purchase roxadustat bulk drug product from FibroGen in support of commercial supplies. There was no related drug product revenue for the three and six months ended June 30, 2023 and 2022.

AstraZeneca China Amendment

In July 2020, FibroGen China and AstraZeneca entered into an amendment, effective July 1, 2020, to the AstraZeneca China Agreement, relating to the development and commercialization of roxadustat in China (the "AstraZeneca China Amendment"). Under the AstraZeneca China Amendment, in September 2020, FibroGen Beijing and AstraZeneca completed the establishment of a jointly owned entity, Beijing Falikang Pharmaceutical Co., Ltd. ("Falikang"), which performs roxadustat distribution, as well as conducts sales and marketing through AstraZeneca.

FibroGen Beijing manufactures and supplies commercial product to Falikang based on an agreed upon transfer price, which includes gross transfer price, net of calculated profit share. Revenue is recognized upon the transfer of control of commercial products to Falikang in an amount that reflects the allocation of transaction price of the China manufacturing and supply obligation ("China performance obligation") to the performance obligation satisfied during the reporting period. We recognized related net product revenue of $23.9 million and $23.3 million for the three months ended June 30, 2023 and 2022, and $48.0 million and $42.1 million for the six months ended June 30, 2023 and 2022, respectively.

Additional Information Related to Collaboration Agreements

Total cash consideration received through June 30, 2023 and potential cash consideration, for upfront payments and milestone payments under our collaboration agreements are as follows:

	Cash Received for Upfront Payments and Milestone Payments Through June 30, 2023	Additional Potential Cash Payment for Milestones	Total Potential Cash Payments for Upfront Payments and Milestones
		(in thousands)	
Astellas--related-party:			
Astellas Japan Agreement	$ 105,093	$ 67,500	$ 172,593
Astellas Europe Agreement	685,000	60,000	745,000
Total Astellas	790,093	127,500	917,593
AstraZeneca:			
AstraZeneca U.S./RoW Agreement	439,000	810,000	1,249,000
AstraZeneca China Agreement	77,200	299,500	376,700
Total AstraZeneca	516,200	1,109,500	1,625,700
Total	$ 1,306,293	$ 1,237,000	$ 2,543,293

The above table does not include development cost reimbursement, transfer price payments, and royalties and profit share under our existing collaboration agreements. Based on our current development plans for roxadustat in Japan, Europe and U.S., we do not expect to receive most or all of these additional potential milestones under the Astellas Japan Agreement, the Astellas Europe Agreement and the AstraZeneca U.S./RoW Agreement.

RESULTS OF OPERATIONS

Revenue

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
			(dollars in thousands)					
Revenue:								
License revenue	$ 1,000	$ —	$ 1,000	NM	$ 7,000	$ 22,590	$ (15,590)	(69) %
Development and other revenue	5,158	5,457	(299)	(5) %	9,050	17,219	(8,169)	(47) %
Product revenue, net	23,889	23,256	633	3 %	48,049	42,137	5,912	14 %
Drug product revenue, net	14,272	1,093	13,179	1,206 %	16,381	8,687	7,694	89 %
Total revenue	$ 44,319	$ 29,806	$ 14,513	49 %	$ 80,480	$ 90,633	$ (10,153)	(11) %

NM = Not meaningful

Under our revenue recognition policy, license revenue includes amounts from upfront, non-refundable license payments and amounts allocated pursuant to the standalone selling price method from other consideration received during the respective periods. This revenue is generally recognized as deliverables are met and services are performed.

Development revenue includes co-development and other development related services. We recognize development services as revenue in the period in which they are billed to our partners, excluding China. As of June 30, 2023, we expect the future development services to continue through 2024. For China co-development services, we defer revenue until we begin to transfer control of the manufactured commercial product to AstraZeneca, which commenced in the first quarter of 2021 and we expect to continue through 2028, which reflects our best estimates. Other revenues consist of contract manufacturing revenue and sales of research and development material and have not been material for any of the periods presented.

We recognize product revenue when our customer obtains control of promised goods or services in an amount that reflects the consideration we expect to receive in exchange for those goods or services.

Drug product revenue includes commercial-grade API or bulk drug product sales to AstraZeneca, under the AstraZeneca U.S./RoW Agreement, and Astellas in support of pre-commercial preparation prior to the New Drug Application or marketing authorization application approval, and to Astellas for ongoing commercial launch in Japan and Europe. We recognize drug product revenue when we fulfill the inventory transfer obligations. The amount of variable consideration that is included in the transaction price may be constrained, and is included in the drug product revenue only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period when the uncertainty associated with the variable consideration is subsequently resolved. Actual amounts of consideration ultimately received in the future may differ from our estimates, for which we will adjust these estimates and affect the drug product revenue in the period such variances become known.

In the future, we will continue generating revenue from collaboration agreements in the form of license fees, milestone payments, reimbursements for collaboration services and royalties on drug product sales, and from product sales. We expect that any revenues we generate will fluctuate from quarter to quarter due to the uncertain timing and amount of such payments and sales.

Total revenue increased $14.5 million, or 49% for the three months ended June 30, 2023, and decreased $10.2 million, or 11% for the six months ended June 30, 2023, respectively, compared to the same periods a year ago for the reasons discussed in the sections below.

License Revenue

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(dollars in thousands)							
License revenue:								
Astellas	$ —	$ —	$ —	NM	$ —	$ 22,590	$ (22,590)	NM
Eluminex	1,000	—	1,000	NM	7,000	—	7,000	NM
Total license revenue	$ 1,000	$ —	$ 1,000	NM	$ 7,000	$ 22,590	$ (15,590)	(69) %

NM = Not meaningful

License revenue recognized for three and six months ended June 30, 2023 included $1.0 million upfront payment under the A&R Eluminex Agreement. License revenue recognized for the six months ended June 30, 2023 also included a $3.0 million milestone payment based on Eluminex implanting a biosynthetic cornea in the first patient of its clinical trial in China, and a $3.0 million manufacturing related milestone payment when such milestones were achieved.

License revenue recognized under our collaboration agreements with Astellas for the three months ended March 31, 2022 represented the allocated revenue related to a $25.0 million regulatory milestone payment associated with the approval of EVRENZO® (roxadustat) in Russia that was included in the transaction price during the first quarter of 2022 when such milestone was achieved.

Development and Other Revenue

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(dollars in thousands)							
Development revenue:								
Astellas	$ 1,839	$ 1,825	$ 14	1 %	$ 3,463	$ 7,005	$ (3,542)	(51) %
AstraZeneca	2,273	3,352	(1,079)	(32) %	4,305	9,171	(4,866)	(53) %
Total development revenue	4,112	5,177	(1,065)	(21) %	7,768	16,176	(8,408)	(52) %
Other revenue	1,046	280	766	274 %	1,282	1,043	239	23 %
Total development and other revenue	$ 5,158	$ 5,457	$ (299)	(5) %	$ 9,050	$ 17,219	$ (8,169)	(47) %

Development and other revenue decreased $0.3 million, or 5% for the three months ended June 30, 2023, and decreased $8.2 million, or 47% for the six months ended June 30, 2023, respectively, compared to the same periods a year ago.

Development revenue recognized under our collaboration agreements with Astellas for the six months ended June 30, 2023 was impacted by the decrease in co-development billings related to the development of roxadustat under our collaboration agreements with Astellas as a result of the substantial completion of Phase 3 trials for roxadustat.

Development revenue recognized under our collaboration agreements with Astellas for the three months ended March 31, 2022 included the allocated revenue of $2.4 million related to the above-mentioned $25.0 million regulatory milestone payment associated with the approval in Russia during the first quarter of 2022.

Development revenue recognized under our collaboration agreements with AstraZeneca for the three and six months ended June 30, 2023 was impacted by the decrease in CKD-related co-development billings in the U.S.

Other revenue recognized for the three and six months ended June 30, 2023 and 2022 was primarily related to our contract manufacturing agreement with Eluminex, under which we are responsible for supplying the cornea product at 110% of our product manufacturing costs until our manufacturing technology is fully transferred to Eluminex. Other revenue recognized for the three and six months ended June 30, 2023 also included revenue from sales of certain research and development material.

Product Revenue, Net

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(dollars in thousands)							
Direct Sales:								
Gross revenue	$ 3,607	$ 3,533	$ 74	2 %	$ 6,667	$ 6,362	$ 305	5 %
Discounts and rebates	(229)	(13)	(216)	1,662 %	(503)	(187)	(316)	169 %
Sales returns	(1)	(1)	—	— %	1	3	(2)	(67) %
Direct sales revenue, net	3,377	3,519	(142)	(4) %	6,165	6,178	(13)	— %
Sales to Falikang:								
Gross transaction price	42,153	28,281	13,872	49 %	76,402	51,007	25,395	50 %
Profit share	(18,312)	(10,065)	(8,247)	82 %	(33,300)	(18,914)	(14,386)	76 %
Net transaction price	23,841	18,216	5,625	31 %	43,102	32,093	11,009	34 %
Decrease in deferred revenue	(3,329)	1,521	(4,850)	(319) %	(1,218)	3,866	(5,084)	(132) %
Sales to Falikang revenue, net	20,512	19,737	775	4 %	41,884	35,959	5,925	16 %
Total product revenue, net	$ 23,889	$ 23,256	$ 633	3 %	$ 48,049	$ 42,137	$ 5,912	14 %

Substantially all direct product sales to distributors in China have been made by Falikang, while FibroGen Beijing continues to sell product directly in one province in China. Total product revenue, net increased $0.6 million, or 3% for the three months ended June 30, 2023, and increased $5.9 million, or 14%, respectively, compared to the same periods a year ago.

We recognize product revenue from direct sales to distributors in an amount that reflects the consideration that we expect to be entitled to in exchange for those products, net of various sales rebates and discounts. The discounts and rebates primarily consisted of the contractual sales rebate that were calculated based on the stated percentage of gross sales by each distributor in the distribution agreement, and non-key account hospital listing award that was calculated based on eligible non-key account hospital listing to date achieved by each distributor with certain requirements met during the period.

Product revenue from direct sales, net remained relatively flat for the three and six months ended June 30, 2023, compared to the same periods a year ago. The total discounts and rebates were immaterial for each of the three and six months ended June 30, 2023 and 2022.

FibroGen Beijing manufactures and supplies commercial product to Falikang based on an agreed upon transfer price, which includes gross transfer price, net of calculated profit share. We recognize revenue upon the transfer of control of commercial products to Falikang in an amount that reflects the allocation of the China performance obligation transaction price to the performance obligation satisfied during the reporting period. The variable consideration components that are included in the transaction price may be constrained, and are included in the product revenue only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period when the uncertainty associated with the variable consideration is subsequently resolved.

Sales to Falikang revenue, net increased $0.8 million, or 4% for the three months ended June 30, 2023, and increased $5.9 million, or 16% for the six months ended June 30, 2023, respectively, compared to the same periods a year ago. The gross transfer price increased $13.9 million and $25.4 million, and the calculated profit share increased $8.2 million and $14.4 million for the three and six months ended June 30, 2023, respectively, compared to the same periods a year ago, primarily due to the increase in sales volume during the current year period.

Periodically, we update our assumptions such as total sales quantity, performance period and other inputs including foreign currency translation impact, among others. Following updates to our estimates, for the three and six months ended June 30, 2023, we deferred $3.3 million and $1.2 million, respectively, from the net transfer price to Falikang, which was included in the related deferred revenue of the China performance obligation. Comparatively, for the three and six months ended June 30, 2022, we recognized $1.5 million and $3.9 million, respectively, from the previously deferred revenue of the China performance obligation.

Drug Product Revenue, Net

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(dollars in thousands)							
Drug product revenue, net:								
Astellas Japan Agreement	$ 13,809	$ 17	$ 13,792	NM	$ 15,541	$ 7,611	$ 7,930	104 %
Astellas Europe Agreement	463	1,076	(613)	(57) %	840	1,076	(236)	(22) %
Total drug product revenue, net:	$ 14,272	$ 1,093	$ 13,179	1,206 %	$ 16,381	$ 8,687	$ 7,694	89 %

NM = Not meaningful

Drug product revenue, net increased $13.2 million, or 1,206% for the three months ended June 30, 2023, and increased $7.7 million, or 89% for the six months ended June 30, 2023, respectively, compared to the same periods a year ago.

Astellas Japan Agreement

During the second quarter of 2023, we fulfilled two shipment obligations under the terms of Astellas Japan Amendment, and recognized related drug product revenue of $14.4 million in the same period. In addition, we updated our estimate of variable consideration related to the API shipments fulfilled under the terms of Astellas Japan Amendment, and accordingly recorded a reduction to the drug product revenue of $0.6 million. Specifically, the change in estimated variable consideration was based on the API held by Astellas at period end, adjusted to reflect the changes in the estimated bulk product strength mix intended to be manufactured by Astellas, and foreign exchange impacts, among others.

During the first quarter of 2023, we updated our estimate of variable consideration related to the API shipments fulfilled under the terms of Astellas Japan Amendment, and accordingly recorded adjustments to the drug product revenue of $1.7 million. Specifically, the change in estimated variable consideration was based on the API held by Astellas at period end, adjusted to reflect the changes in the estimated bulk product strength mix intended to be manufactured by Astellas, and estimated yield from the manufacture of bulk product tablets, among others.

During the first quarter of 2022, we fulfilled a shipment obligation under the terms of Astellas Japan Amendment and recognized related drug product revenue of $9.8 million in the same period. In addition, during the first quarter of 2022, we updated our estimate of variable consideration related to the API shipments fulfilled under the terms of Astellas Japan Amendment, and recorded a reduction to the drug product revenue of $2.2 million. Specifically, the change in estimated variable consideration was based on the API held by Astellas at period end, adjusted to reflect the changes in the estimated bulk product strength mix intended to be manufactured by Astellas, estimated cost to convert the API to bulk product tablets, and estimated yield from the manufacture of bulk product tablets, among others.

As of June 30, 2023, the balances related to the API price true-up under the Astellas Japan Agreement were $4.6 million in accounts payable, $1.4 million in accrued liabilities and $0.6 million in other long-term liabilities, representing the Company's best estimate of the timing for these amounts to be paid. As of December 31, 2022, the related balance in accrued liabilities was $6.5 million.

Astellas Europe Agreement

During the first quarter of 2022, we updated our estimate of variable consideration related to the bulk drug product transferred in prior years. Specifically, the change in estimated variable consideration was based on the bulk drug product held by Astellas at the period end, adjusted to reflect the changes in the estimated transfer price, forecast information, shelf-life estimates and other items. As a result, we reclassified the related deferred revenue to accrued liabilities during the year ended December 31, 2022. As of December 31, 2022, the related balance was $57.4 million in accrued liabilities. Further during the first and second quarter of 2023, we reclassified $24.0 million from the related deferred revenue to accrued liabilities. As of June 30, 2023, the balances related to the bulk drug product price true-up under the Astellas Europe Agreement and the Astellas EU Supply Agreement were $23.8 million in accrued liabilities, representing our best estimate that these amounts will be paid within the next 12 months.

In addition, we recognized royalty revenue as drug product revenue, from the deferred revenue under the Astellas Europe Agreement, of $0.5 million and $0.8 million for the three and six months ended June 30, 2023, respectively, and $0.1 million during the second quarter of 2022. It is our best estimate that the remainder of the deferred revenue will be recognized as revenue and when uncertainty is resolved, based on the performance of roxadustat product sales in the Astellas territory.

AstraZeneca U.S./RoW Agreement

There was no shipment of bulk drug product to AstraZeneca as commercial supply under the terms of the AstraZeneca Master Supply Agreement during the three and six months ended June 30, 2023 and 2022.

During the first quarter of 2022, we evaluated the current developments in the U.S. market, and updated our estimates of variable consideration associated with bulk drug product shipments to AstraZeneca in prior years as commercial supply under the terms of the AstraZeneca Master Supply Agreement. As a result, we reclassified $11.2 million from the related deferred revenue to accrued liabilities during the year ended December 31, 2022, which remained unchanged as of June 30, 2023 and December 31, 2022, representing our best estimate that this amount will be paid within the next 12 months.

Operating Costs and Expenses

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(dollars in thousands)							
Operating costs and expenses								
Cost of goods sold	$ 5,708	$ 6,809	$ (1,101)	(16) %	$ 9,199	$ 11,048	$ (1,849)	(17) %
Research and development	95,478	70,963	24,515	35 %	169,964	159,981	9,983	6 %
Selling, general and administrative	31,181	30,258	923	3 %	65,455	60,820	4,635	8 %
Total operating costs and expenses	$ 132,367	$ 108,030	$ 24,337	23 %	$ 244,618	$ 231,849	$ 12,769	6 %

Total operating costs and expenses increased $24.3 million, or 23% for the three months ended June 30, 2023, and increased $12.8 million, or 6% for the six months ended June 30, 2023, respectively, compared to the same periods a year ago for the reasons discussed in the sections below.

Cost of Goods Sold

Cost of goods sold decreased $1.1 million, or 16% for the three months ended June 30, 2023, and decreased $1.8 million, or 17% for the six months ended June 30, 2023, respectively, compared to the same periods a year ago.

Cost of goods sold, associated with the roxadustat commercial sales in China, consists of direct costs to manufacture commercial product, as well as indirect costs including factory overhead, storage, shipping, quality assurance, idle capacity charges, and inventory valuation adjustments. Cost of goods sold associated with the roxadustat commercial sales in China was $3.6 million for the three months ended June 30, 2023, a decrease of 1.3 million, or 26%; and $6.8 million for the six months ended June 30, 2023, a decrease of $0.7 million, or 10%, respectively, as compared to the same periods a year ago, resulting from the improved unit cost efficiency due to higher production volume, partially offset by the increases in the sales volume.

Cost of goods sold in the U.S., associated with costs of the roxadustat API or bulk drug product delivered to Astellas was $1.9 million and $1.7 million for the three months ended June 30, 2023 and 2022, and $2.0 million and $2.6 million for the six months ended June 30, 2023 and 2022, respectively. We expect costs of goods sold to increase in relation to drug product revenue as we deplete inventories that we had expensed prior to receiving regulatory approvals.

Cost of goods sold also included manufacturing costs related to our contract manufacturing revenue from Eluminex, which was immaterial for the periods presented.

Research and Development Expenses

Research and development expenses consist of third-party research and development costs and the fully-burdened amount of costs associated with work performed under collaboration agreements. Research and development expenses include employee-related expenses for research and development functions, expenses incurred under agreements with clinical research organizations, other clinical and preclinical costs and allocated direct and indirect overhead costs, such as facilities costs, information technology costs and other overhead. We expense research and development costs as incurred. We recognize costs for certain development activities based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and our clinical sites. Research and development expenses also include IPR&D assets that have no alternative future use other than in a particular research and development project.

The following table summarizes our research and development expenses incurred during the three and six months ended June 30, 2023 and 2022:

Product Candidate	Phase of Development	Three Months Ended June 30, 2023		Three Months Ended June 30, 2022		Six Months Ended June 30, 2023		Six Months Ended June 30, 2022	
		(in thousands)							
Pamrevlumab	Phase 2/3	$ 41,586		$ 10,747		$ 87,771		$ 27,418	
Roxadustat	Phase 3	8,356		48,107		17,450		109,512	
FG-3246	Preclinical	25,895	*	—		25,895	*	—	
Other research and development expenses		19,641		12,109		38,848		23,051	
Total research and development expenses		$ 95,478		$ 70,963		$ 169,964		$ 159,981	

* Included $24.6 million one-time, non-cash acquired IPR&D expenses associated with the recent exclusive license for FG-3246 from Fortis and the acquisition of Fortis. See Note 3, *Exclusive License and Option to Acquire Fortis Therapeutics*, to the condensed consolidated financial statements.

The program-specific expenses summarized in the table above include costs we directly attribute to our product candidates. We allocate research and development salaries, benefits, stock-based compensation and other indirect costs to our product candidates on a program-specific basis, and we include these costs in the program-specific expenses.

Research and development expenses increased $24.5 million, or 35% for the three months ended June 30, 2023, compared to the same period a year ago, primarily as a result of the net effect of the following:

•$24.6 million one-time, non-cash acquired IPR&D expenses associated with the recent exclusive license for FG-3246 from Fortis and the acquisition of Fortis;

•Increase of $3.3 million in clinical trials costs, primarily due to Phase 3 trials for pamrevlumab;

•Increase of $3.2 million in employee-related costs primarily due to overall merit increase and higher business travel activities and higher severance during the current year period; and

•Decrease of $7.6 million in drug development expenses associated with drug substance and drug product manufacturing activities related to pamrevlumab which was largely completed in the prior year.

Research and development expenses increased $10.0 million, or 6% for the six months ended June 30, 2023, compared to the same period a year ago, primarily as a result of the net effect of the following:

•$24.6 million one-time, non-cash acquired IPR&D expenses associated with the recent exclusive license for FG-3246 from Fortis and the acquisition of Fortis;

•Increase of $5.3 million in employee-related costs primarily due to overall merit increase and higher business travel activities and higher severance during the current year period;

•Increase of $2.4 million information technology and facilities costs primarily associated with software costs and maintenance services;

•Decrease of $21.5 million in drug development expenses associated with drug substance and drug product manufacturing activities related to roxadustat post-approval safety studies in China and pamrevlumab which were largely completed in the prior periods; and

•Decrease of $2.9 million in stock-based compensation primarily resulting from cancellations and impacts from lower stock price.

Selling, General and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses consist primarily of employee-related expenses for executive, operational, finance, legal, compliance, and human resource functions. SG&A expenses also include facility-related costs, professional fees, accounting and legal services, other outside services including co-promotional expenses associated with our commercialization efforts in China, recruiting fees and expenses associated with obtaining and maintaining patents.

SG&A expenses increased $0.9 million, or 3% for the three months ended June 30, 2023, compared to the same period a year ago, primarily as a result of the net effect of the following:

•Increase of $2.0 million in outside services expenses due to higher consulting activities in general administrative and efforts to prepare for commercialization; and

•Decrease of $1.2 million in legal expenses mainly associated with corporate legal activities.

SG&A expenses increased $4.6 million or 8% for the six months ended June 30, 2023, compared to the same period a year ago, primarily as a result of the net effect of the following:

•Increase of $2.7 million in employee-related costs primarily due to overall merit increase and higher business travel activities and higher severance during the current year period; and

•Increase of $2.4 million in outside services expenses due to higher consulting activities in general administrative and efforts to prepare for commercialization.

Interest and Other, Net

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(dollars in thousands)							
Interest and other, net:								
Interest expense	$ (3,069)	$ (141)	$ (2,928)	2,077 %	$ (5,441)	$ (238)	$ (5,203)	2,186 %
Interest income and other income (expenses), net	2,652	5,199	(2,547)	(49) %	3,687	4,876	(1,189)	(24) %
Total interest and other, net	$ (417)	$ 5,058	$ (5,475)	(108) %	$ (1,754)	$ 4,638	$ (6,392)	(138) %

Interest Expense

Interest expense represents the interest related to the senior secured term loan facilities, interest related to sale of future revenues and interest related to the Technology Development Center of the Republic of Finland product development obligations.

Interest expense for the three and six months ended June 30, 2023 included $1.3 million and $3.6 million, respectively, related to sale of future revenues under the Revenue Interest Financing Agreement (“RIFA”) with an affiliate of NovaQuest Capital Management (“NovaQuest”). See Note 8, *Liability Related to Sale of Future Revenues*, to the condensed consolidated financial statements for details.

Interest expense for each of the three and six months ended June 30, 2023 also included $1.7 million related to the senior secured term loan facilities. See Note 7, *Senior Secured Term Loan Facilities,* to the condensed consolidated financial statements for details.

Interest Income and Other Income (Expenses), Net

Interest income and other income (expenses), net primarily include interest income earned on our cash, cash equivalents and investments, foreign currency transaction gains (losses), remeasurement of certain monetary assets and liabilities in non-functional currency of our subsidiaries into the functional currency, realized gains (losses) on sales of investments, and other non-operating income and expenses.

Interest income and other income (expenses), net decreased $2.5 million, or 49% for the three months ended June 30, 2023, and $1.2 million, or 24% for the six months ended June 30, 2023, compared to the same periods a year ago, primarily due to an impact of $5.0 million recorded during the second quarter of 2022, which did not recur in the current year periods, resulting from a reduction to other expenses to release the previously estimated late payment fees related to value added tax in China. This impact was partially offset by higher interest income from our investments with higher interest rate during the current year period.

Income Taxes

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(dollars in thousands)			
Loss before income taxes	$ (88,465)	$ (73,166)	$ (165,892)	$ (136,578)
Provision for (benefit from) income taxes	(235)	23	(161)	136
Effective tax rate	0.3 %	— %	0.1 %	(0.1) %

Provisions for income taxes for the three and six months ended June 30, 2023 and 2022 were primarily due to foreign taxes.

Based upon the weight of available evidence, which includes our historical operating performance, reported cumulative net losses since inception and expected continuing net loss, we have established a full valuation allowance against our net deferred tax assets as we do not currently believe that realization of those assets is more likely than not. We intend to continue maintaining a full valuation allowance on our deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of this allowance.

Investment Income in Unconsolidated Variable Interest Entity

Investment income in unconsolidated variable interest entity represented our proportionate share of the reported profits of Falikang, an unconsolidated variable interest entity accounted for under the equity method, and was immaterial for the three and six months ended June 30, 2023 and 2022. See Note 4, *Equity method investment - Variable Interest Entity*, to the condensed consolidated financial statements for details.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

We have historically funded our operations principally from the sale of common stock (including our public offering proceeds), from the execution of collaboration agreements involving license payments, milestone payments, reimbursement for development services, and the associated product revenue and drug product revenue.

On November 4, 2022, we entered into a RIFA with NovaQuest with respect to our revenues from Astellas' sales of roxadustat in Europe, Japan and the other Astellas territories. Pursuant to the RIFA, in the fourth quarter of 2022, we received $49.8 million from NovaQuest, representing the gross proceeds of $50.0 million net of initial issuance costs, in consideration for a portion of future revenues we will receive from Astellas. For additional details about this financing transaction, see Note 8, *Liability Related to Sale of Future Revenues*, to the condensed consolidated financial statements.

On February 27, 2023, we entered into an Amended and Restated Equity Distribution Agreement (the "at-the-market agreement") with Goldman Sachs & Co., LLC and BofA Securities, Inc. (each a "Sales Agent"), which amended and restated its Equity Distribution Agreement with Goldman Sachs & Co., LLC, dated August 8, 2022, to add BofA Securities, Inc. as an additional Sales Agent under that agreement. Under the at-the-market agreement, we may issue and sell, from time to time and through the Sales Agents, shares of our common stock having an aggregate offering price of up to $200.0 million (the "ATM Program"). Under the ATM Program, we sold 2,472,090 shares of our common stock and received net proceeds of approximately $48.4 million during the six months ended June 30, 2023. See Note 9, *At-the-Market Program*, to the condensed consolidated financial statements for details.

On April 29, 2023, we entered into a financing agreement (the "Financing Agreement") with investment funds managed by Morgan Stanley Tactical Value, ("Lenders"), and Wilmington Trust, National Association, as the administrative agent, providing for senior secured term loan facilities consisting of (i) a $75.0 million initial term loan, (ii) a $37.5 million delayed draw term loan that will be funded upon the achievement of certain clinical development milestones and, (iii) an uncommitted delayed draw term loan of up to $37.5 million, to be funded at the Lenders sole discretion. For additional details about this financing transaction, see Note 7, *Senior Secured Revolving Line of Credit*, to the condensed consolidated financial statements.

As of June 30, 2023, we had cash and cash equivalents of $152.6 million, compared to $155.7 million as of December 31, 2022. Cash is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation. Investments, consisting of available-for-sale securities, and stated at fair value, are also available as a source of liquidity. As of June 30, 2023, we had short-term investments of $183.1 million, compared to short-term investments of $266.3 million and long-term investments of $4.3 million as of December 31, 2022. As of June 30, 2023, a total of $79.7 million of our cash and cash equivalents was held outside of the U.S. in our foreign subsidiaries, substantially all held in China, to be used primarily for our China operations.

Cash flows from Falikang, a distribution joint venture between FibroGen Beijing and AstraZeneca, and cash flows into FibroGen Beijing, are currently intended to remain onshore in China. Our long-term plans for distributing cash flows from FibroGen Beijing may involve any number of scenarios including keeping the money onshore to fund future expansion of our China operations or paying down certain debt obligations. To date, no such debt repayments have occurred, nor have there been any other payments or distributions from FibroGen Beijing to entities or investors outside of China. Our capital contributions to FibroGen Beijing and the liquidity position of FibroGen Beijing depend on many factors, including those set forth under Part II, Item 1A "*Risk Factors*" in this Quarterly Report.

Cash Sources and Uses

The following table sets forth the primary sources and uses of cash and cash equivalents for each of the periods set forth below (in thousands):

	Six Months Ended June 30,	
	2023	2022
Net cash provided by (used in):		
Operating activities	$ (212,162)	$ (41,540)
Investing activities	89,197	43,240
Financing activities	123,017	(806)
Effect of exchange rate changes on cash and cash equivalents	(3,167)	(4,359)
Net increase in cash and cash equivalents	$ (3,115)	$ (3,465)

Operating Activities

Net cash used in operating activities was $212.2 million for the six months ended June 30, 2023 and consisted primarily of net loss of $164.4 million adjusted for non-operating cash items of $64.0 million, and a net decrease in operating assets and liabilities of $111.8 million. The significant non-operating cash items included stock-based compensation expense of $32.0 million, acquired IPR&D expenses associated with the acquisition of Fortis of $24.6 million, depreciation expense of $5.0 million and non-cash interest expense related to sale of future revenues of $3.6 million. The significant items in the changes in operating assets and liabilities included the following:

•Accrued and other liabilities decreased $57.0 million, primarily related to the movements related to API and bulk drug product price true-up, resulting from changes in estimated variable consideration associated with the API shipments fulfilled under the terms of the Astellas Japan Amendment, and the bulk drug product transferred under the terms of the Astellas Europe Agreement and the Astellas EU Supply Agreement, including the payment of $57.4 million previously accrued balance made during the current year period. See the *Drug Product Revenue, Net* section in Note 2, *Collaboration Agreements, License Agreement and Revenues,* to the condensed consolidated financial statements for details. The accrued and other liabilities were also impacted by the timing of invoicing and payment;

•Deferred revenue decreased $25.6 million, primarily related to the reclassification of $24.0 million to accrued liabilities, resulting from changes in estimated variable consideration associated with the bulk drug product transferred to Astellas under the terms of the Astellas Europe Agreement and the Astellas EU Supply Agreement during the current year period. See the *Drug Product Revenue, Net* section in Note 2, *Collaboration Agreements, License Agreement and Revenues,* to the condensed consolidated financial statements for details.

•Accounts payable decreased $20.8 million, primarily driven by the payments made for the historical co-promotion expenses to AstraZeneca during the current year period, as well as the timing of invoicing and payments.

•Accounts receivable increased $10.0 million, primarily driven by the receivable related to the API shipments to Astellas during the second quarter of 2023, as well as the timing of the receipt of payments and the billings under our collaboration and license agreements;

•Prepaid expenses and other current assets decreased $4.2 million, primarily due to less prepayments made for roxadustat and pamrevlumab clinical activities; and

•Inventories increased $2.0 million, driven by the increased inventory level primarily related to FibroGen Beijing's productions of roxadustat for commercial sales purposes.

Net cash used in operating activities was $41.5 million for the six months ended June 30, 2022 and consisted primarily of net loss of $135.8 million adjusted for non-operating cash items of $39.7 million, offset by a net increase in operating assets and liabilities of $54.6 million. The significant non-operating cash items included stock-based compensation expense of $33.8 million, and depreciation expense of $5.0 million. The significant items in the changes in operating assets and liabilities included the following:

•Accrued and other liabilities increased $61.0 million, primarily related to the total of 54.4 million for API and bulk drug product price true-up as of June 30, 2022, resulting from changes in estimated variable consideration associated with the API shipments fulfilled under the terms of the Japan Amendment with Astellas, the bulk drug product transferred under the terms of the Europe Agreement and the EU Supply Agreement with Astellas, and the bulk drug product shipments to AstraZeneca under the terms of the Master Supply Agreement. The accrued and other liabilities were also impacted by the classification of a portion of accrued co-promotion expenses from other long-term liabilities to current liabilities based on the updated estimate of timing for payment, and by the timing of invoicing and payment;

•Prepaid expenses and other current assets decreased $11.6 million, primarily due to the collection of $8.0 million from Eluminex for upfront license payment during the first quarter of 2022, and less prepayments made for roxadustat API manufacturing activities;

•Deferred revenue increased $9.7 million, primarily related to the deferred considerations of the bulk drug product transferred to Astellas under the terms of the Europe Agreement and the EU Supply Agreement during the current year period, offset by the above-mentioned reclassification to accrued liabilities, resulting from changes in estimated variable consideration associated with the API or bulk drug product deliveries fulfilled with Astellas and AstraZeneca;

•Accounts payable increased $4.2 million, primarily driven by the timing of invoicing and payments.

Investing Activities

Investing activities primarily consist of purchases of property and equipment, purchases of investments, purchase of acquired IPR&D assets and proceeds from the maturity and sale of investments.

Net cash provided by investing activities was $89.2 million for the six months ended June 30, 2023 and consisted primarily of $192.9 million of proceeds from maturities of investments, partially offset by $104.5 million of cash used in purchases of available-for-sale securities.

Net cash used in investing activities was $43.2 million for the six months ended June 30, 2022 and consisted primarily of $132.5 million of proceeds from maturities of investments and $7.4 million of proceeds from sales of available-for-sale securities, partially offset by $59.1 million of cash used in purchases of available-for-sale securities and $35.0 million of cash paid for the acquired IPR&D asset.

Financing Activities

Financing activities primarily reflect proceeds from the issuance of our common stock, cash paid for payroll taxes on restricted stock unit releases, repayments of our lease liabilities and obligations.

Net cash provided by financing activities was $123.0 million for the six months ended June 30, 2023 and consisted primarily of $71.3 million net proceeds from senior secured term loan facilities, $48.4 million net proceeds received under the ATM Program, $3.7 million of proceeds from the issuance of common stock upon exercise of stock options and purchases under our Employee Stock Purchase Plan.

Net cash used in financing activities was $0.8 million for the six months ended June 30, 2022 and consisted primarily of $3.4 million of cash paid for payroll taxes on restricted stock unit releases, partially offset by $2.8 million of proceeds from the issuance of common stock upon exercise of stock options and purchases under our Employee Stock Purchase Plan.

Material Cash Requirements

We generate revenue from commercial sales of roxadustat product in China, Japan and Europe. Even with the expectation of increases in these revenues, we anticipate that we will continue to generate losses for the foreseeable future. To date, we have funded certain portions of our research and development and manufacturing efforts globally through collaboration partners, debt financings, and equity financing. We expect to continue to incur significant research and development expenses to invest in our other programs and there is no guarantee that sufficient funds will be available to continue to fund these development efforts through commercialization or otherwise. We are also subject to all the risks related to the development and commercialization of novel therapeutics, and we may encounter unforeseen expenses, difficulties, complications, delays and other factors outlined under Part II, Item 1A "*Risk Factors*" in this Quarterly Report on Form 10-Q, as well as unknown factors that may adversely affect our business. We anticipate that we will need substantial additional funding in connection with our continuing operations.

We believe that our existing cash and cash equivalents, short-term and long-term investments and accounts receivable, together with the proceeds from senior secured term loan facilities in the second quarter of 2023, the financing amount under the RIFA received in the fourth quarter of 2022, and the net proceeds received under our ATM program in the first half of 2023, as well as the cost savings we have recently implemented (including from the reduction in workforce that we announced on July 19, 2023), will be sufficient to meet our anticipated cash requirements for at least the next 12 months from the date of issuance of the financial statements included in this Quarterly Report on Form 10-Q. However, we may need additional capital thereafter and our liquidity assumptions could turn out to be wrong, or may change over time, and we could utilize our available financial resources sooner than we currently expect. We may incur additional expenses not currently contemplated due to events associated with the recently announced reduction in workforce. In addition, we may elect to raise additional funds at any time through equity, equity-linked, debt financing arrangements or from other sources. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under Part II, Item 1A "*Risk Factors*" in this Quarterly Report on Form 10-Q. We may not be able to secure additional financing to meet our operating requirements on acceptable terms, or at all. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of indebtedness, we will be subject to increased fixed payment obligations and could also be subject to restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. If we are unable to obtain needed additional funds, we will have to reduce our operating costs and expenses, which would impair our growth prospects and could otherwise negatively impact our business.

Commitments and Contingencies

Contractual Obligations

As of June 30, 2023, we had $84.8 million of operating lease liabilities. The material cash requirements related to our lease liabilities included $14.5 million expected to be paid within the next 12 months.

As of June 30, 2023, we had outstanding total non-cancelable purchase obligations of $40.8 million, including $22.4 million for manufacture and supply of pamrevlumab, $2.5 million for manufacture and supply of roxadustat, and $15.9 million for other purchases and programs. We expect to fulfill our commitments under these agreements in the normal course of business, and as such, no liability has been recorded. The material cash requirements related to our non-cancelable purchase obligations included $18.5 million expected to be paid within the next 12 months.

Under the Financing Agreement with Morgan Stanley Tactical Value, as of June 30, 2023, we had $71.4 million of senior secured term loan facilities balance on the condensed consolidated balance sheets, which are not subject for repayment until May 2026. Meanwhile, we are obliged to pay interest on a monthly basis, for which we expect to pay a total of $10.5 million within the next 12 months. See Note 7, *Senior Secured Term Loan Facilities*, to the condensed consolidated financial statements for details.

Under the RIFA with NovaQuest, as of June 30, 2023, we had $52.9 million of liability related to sale of future revenues on the condensed consolidated balance sheets, $4.5 million of which we anticipate to pay within the next 12 month. Based on our current estimates of drug product revenue and revenue from milestone payments under the Astellas Agreements, and taking into the consideration of the terms under the RIFA, we anticipate to reach a Payment Cap up to $125.0 million by 2031. See Note 8, *Liability Related to Sale of Future Revenues*, to the condensed consolidated financial statements for details.

Some of our license agreements provide for periodic maintenance fees over specified time periods, as well as payments by the Company upon the achievement of development, regulatory and commercial milestones. As of June 30, 2023, future milestone payments for research and preclinical stage development programs consisted of up to approximately $697.9 million in total potential future milestone payments under our license agreements with HiFiBiO (for Gal-9 and CCR8), Medarex, Inc. and others. These milestone payments generally become due and payable only upon the achievement of certain developmental, clinical, regulatory and/or commercial milestones. The event triggering such payment or obligation has not yet occurred.

Off-Balance Sheet Arrangements

During the three and six months ended June 30, 2023, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, and expenses and the disclosure of contingent assets and liabilities in our financial statements. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes in our critical accounting policies, estimates and judgments during the three and six months ended June 30, 2023 compared with the disclosures in Part II, Item 7 of our 2022 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

During the three and six months ended June 30, 2023, we believe there were no material changes to our exposure to market risks as set forth in Part II, Item 7A *"Quantitative and Qualitative Disclosures About Market Risk"* in our 2022 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and our Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2023, the end of the period covered by this Quarterly Report on Form 10-Q. Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the company's management, including its Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Based on our evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2023.

Changes in Internal Control over Financial Reporting

There were no changes 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 three months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that because of the inherent limitations in all control systems, any controls and procedures, no matter how well designed and operated, can provide only reasonable not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and the benefits of controls and procedures must be considered relative to their costs.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various legal actions that arose in the ordinary course of our business. We recognize accruals for any legal action when we conclude that a loss is probable and reasonably estimable. We did not have any material accruals for any active legal action in our condensed consolidated balance sheet as of June 30, 2023, as we could not predict the ultimate outcome of these matters, or reasonably estimate the potential exposure. See Note 12, *Commitments and Contingencies*, to the condensed consolidated financial statements for details.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below in addition to the other information included or incorporated by reference in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Although we have discussed all known material risks, the risks described below are not the only ones that we may face. Additional risks and uncertainties not presently known to us or that we deem immaterial may also impair our business operations.

We have marked with an asterisk (*) those risks described below that reflect substantive changes from the risks described under Part I, Item 1A *"Risk Factors"* included in our Annual Report on Form 10-K for the year ended December 31, 2022, filed on February 27, 2023 ("2022 Form 10-K").

SUMMARY RISK FACTORS

The success of FibroGen will depend on a number of factors, many of which are beyond our control and involve risks, including but not limited to the following:

Risks Related to the Development and Commercialization of Our Product Candidates

- We are substantially dependent on the success of our lead products pamrevlumab and roxadustat.
- As a company, we have limited late-stage development and commercialization experience, and the time and resources required to develop such experience are significant.
- Drug development and obtaining marketing authorization is a very difficult endeavor and we may ultimately be unable to obtain regulatory approval for our various product candidates in one or more jurisdictions and in one or more indications.
- There is a significant risk that our U.S./Rest of World Collaboration Agreement with AstraZeneca will be terminated.
- Preclinical, Phase 1 and Phase 2 clinical trial results may not be indicative of the results that may be obtained in larger clinical trials.
- We do not know whether our ongoing or planned clinical trials of roxadustat or pamrevlumab will need to be redesigned based on interim results or if we will be able to achieve sufficient patient enrollment or complete planned clinical trials on schedule.
- Our product candidates may cause or have attributed to them undesirable side effects or have other properties that delay or prevent their regulatory approval or limit their commercial potential.
- If our manufacturers or we cannot properly manufacture the appropriate volume of product, we may experience delays in development, regulatory approval, launch or successful commercialization.
- We face substantial competition in the discovery, development and commercialization of product candidates.
- Our product candidates may not achieve adequate market acceptance among physicians, patients, healthcare payors, and others in the medical community necessary for commercial success.

Risks Related to Our Reliance on Third Parties

- If our collaborations were terminated or if our partners were unwilling or unable to contribute or participate in these collaborations or if Astellas or AstraZeneca were to prioritize other initiatives over their collaborations with us, our ability to successfully develop and commercialize the relevant product candidate would suffer.
- If our preclinical and clinical trial contractors do not properly perform their agreed upon obligations, we may not be able to obtain or may be delayed in receiving regulatory approvals for our product candidates.
- We currently rely, and expect to continue to rely, on third parties to conduct many aspects of our product manufacturing and distribution, and these third parties may terminate these agreements or not perform satisfactorily.
- We may experience delays or technical problems associated with technology transfer, scale-up, or validation of our biologics manufacturing.
- Certain components of our products are acquired from single-source suppliers or without long-term supply agreements. The loss of these suppliers, or their failure to supply, would materially and adversely affect our business.

Risks Related to Our Intellectual Property

- If our efforts to protect our proprietary technologies are not adequate, we may not be able to compete effectively in our market.
- Our reliance on third parties and agreements with collaboration partners requires us to share our trade secrets, which increases the possibility that a competitor may discover them or that our trade secrets will be misappropriated or disclosed.
- The cost of maintaining our patent protection is high and requires continuous review and diligence. We may not be able to effectively maintain our intellectual property position throughout the major markets of the world.
- The laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the U.S., and we may encounter significant problems in securing and defending our intellectual property rights outside the U.S.

Risks Related to Government Regulation

- The regulatory approval process is highly uncertain and we may not obtain regulatory approval for our product candidates.
- Our current and future relationships with customers, physicians, and third-party payors are subject to healthcare fraud and abuse laws, false claims laws, transparency laws, and other regulations. If we are unable to comply with such laws, we could face substantial penalties.
- We are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences.

Risks Related to Our International Operations

- We have established operations in China and are seeking approval to commercialize our product candidates outside of the U.S., and a number of risks associated with international operations could materially and adversely affect our business.
- The pharmaceutical industry in China is highly regulated and such regulations are subject to change.
- We use our own manufacturing facilities in China to produce roxadustat API and drug product for the market in China. There are risks inherent to operating commercial manufacturing facilities, and with these being our single source suppliers, we may not be able to continually meet market demand.
- We may experience difficulties in successfully growing and sustaining sales of roxadustat in China.
- The retail prices of any product candidates that we develop will be subject to pricing control in China and elsewhere.
- FibroGen Beijing would be subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements.
- Our foreign operations, particularly those in China, are subject to significant risks involving the protection of intellectual property.

- Uncertainties with respect to the China legal system and regulations could have a material adverse effect on us.
- Changes in China's economic, governmental, or social conditions could have a material adverse effect on our business.

RISK FACTORS

Risks Related to the Development and Commercialization of Our Product Candidates

We are substantially dependent on the success of our lead products pamrevlumab and roxadustat.*

To date, we have invested substantially in the research and development of pamrevlumab and roxadustat.

The near-term value drivers for the Company depend in large part on pamrevlumab, which is in clinical development for locally advanced unresectable pancreatic cancer, metastatic pancreatic cancer, and Duchenne muscular dystrophy ("DMD"). If the Phase 3 clinical trials are successful, pamrevlumab will require substantial further investment. At this time, we do not have a collaboration partner to support the development and commercialization of pamrevlumab. Additionally, as a monoclonal antibody, pamrevlumab may require greater financial resources to commercialize (particularly in manufacturing).

Our near-term value drivers also include continued development and commercialization of roxadustat in the People's Republic of China ("China"), Japan, Europe, and elsewhere. While we continue to co-commercialize roxadustat in China with AstraZeneca AB ("AstraZeneca") and develop roxadustat in China in chemotherapy-induced anemia ("CIA"), we have no plans to develop roxadustat in the United States ("U.S.") for anemia associated with chronic kidney disease ("CKD"), myelodysplastic syndromes, or CIA.

With an eye toward our longer-term success, we are investing in new drug programs to expand our early-stage clinical pipeline. While we see great potential value in our early-stage pipeline, these programs are years away from commercialization, and the success of any development program is not guaranteed. Our biggest value drivers in the near-term rely on the success of pamrevlumab Phase 3 trials and roxadustat commercialization.

As a company, we have limited late-stage and commercialization experience, and the time and resources required to develop such experience are significant.

We are running multiple Phase 3 clinical trials simultaneously with multiple readouts in 2023 and 2024, while also commercializing roxadustat with our collaboration partners. As a company, we have limited resources and limited experience handling such a large number of data readouts and possible regulatory filings.

For pamrevlumab, which we have not partnered, we do not have a sales infrastructure and we have limited experience in the sales, marketing or distribution of pharmaceutical products in any country.

To the extent that we would undertake sales and marketing of any of our products directly, there are risks involved with establishing our own sales, marketing and distribution capabilities. 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 persuade adequate numbers of physicians to prescribe any future products;
- our inability to effectively manage geographically dispersed commercial teams;

- •the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- •unforeseen costs and expenses associated with creating an independent commercial organization.

With respect to roxadustat, we are dependent in part on the commercialization capabilities of our collaboration partners, AstraZeneca and Astellas Pharma Inc. (“Astellas”). If either such partner were to terminate its agreement with us, we would have to commercialize on our own or with another third party. We will have limited control over the commercialization efforts of such third parties, and any of them may fail to devote the necessary resources and attention to sell and market roxadustat effectively.

Successful development and commercialization of any of our products requires us to establish and further develop our clinical, regulatory, and commercialization capabilities, including but not limited to, medical affairs, marketing, product reimbursement, sales, price reporting, pharmacovigilance, supply-chain, and distribution. These efforts require resources and time to either develop or acquire expertise in these areas and there is a risk that we are unsuccessful or we fail to comply with rules or regulations applicable to development or commercialization of our products. There is also a risk that we are delayed due to the need to develop these capabilities or due to a lack of resources. All of which would adversely affect our business and financial condition.

Drug development and obtaining marketing authorization is a very difficult endeavor and we may ultimately be unable to obtain regulatory approval for our various product candidates in one or more jurisdictions and in one or more indications.*

The development, manufacturing, marketing, and selling of our products and product candidates are and will continue to be subject to extensive and rigorous review and regulation by numerous government authorities in the U.S. and in other countries where we intend to develop and, if approved, market any product candidates. Before obtaining regulatory approval for the commercial sale of any product candidate, we must demonstrate through extensive preclinical trials and clinical trials that the product candidate is safe and effective for use in each indication for which approval is sought. The drug development and approval processes are expensive and require substantial resources and time, and in general, very few product candidates that enter development ultimately receive regulatory approval. In addition, our collaboration partners for roxadustat have final control over development decisions in their respective territories and they may make decisions with respect to development or regulatory authorities that delay or limit the potential approval of roxadustat, or increase the cost of development or commercialization. Accordingly, we may be unable to successfully develop or commercialize any of our other product candidates in one or more indications and jurisdictions.

Moreover, for any clinical trial to support a New Drug Application/Biologics License Application submission for approval, the U.S. Food and Drug Administration (“FDA”) and foreign regulatory authorities require compliance with regulations and standards (including good clinical practices (“GCP”) requirements for designing, conducting, monitoring, recording, analyzing, and reporting the results of clinical trials) to ensure that (1) the data and results from trials are credible and accurate; and (2) that the rights, integrity and confidentiality of trial participants are protected. Although we rely on third parties to conduct our clinical trials, we as the sponsor remain responsible for ensuring that each of these clinical trials is conducted in accordance with its general investigational plan and protocol under legal and regulatory requirements, including GCP.

Regulatory authorities may take actions or impose requirements that delay, limit or deny approval of our product candidates for many reasons, including, among others:

- •our failure to adequately demonstrate to the satisfaction of regulatory authorities or an independent advisory committee that our product candidate is safe and effective in a particular indication, or that such product candidate’s clinical and other benefits outweigh its safety risks;
- •our failure of clinical trials to meet the level of statistical significance required for approval;
- •the determination by regulatory authorities that additional information (including additional preclinical or clinical data or trials) are necessary to demonstrate the safety and efficacy of a product candidate,
- •disagreement over the design or implementation of our clinical trials;
- •our product candidates may exhibit an unacceptable safety signal at any stage of development;
- •we, or the clinical research organizations (“CROs”) or investigators that conduct clinical trials on our behalf, may fail to comply with regulations or GCPs, clinical trial protocols, or contractual agreements, which may adversely impact our clinical trials;
- •disagreement over whether to accept results from clinical trial sites in a country where the standard of care is potentially different from that in the U.S.;

- we or third-party contractors manufacturing our product candidates may not maintain current good manufacturing practices ("cGMP"), successfully pass inspection or meet other applicable manufacturing regulatory requirements;
- regulatory authorities may require us to exclude the use of patient data from unreliable clinical trials, or may not agree with our interpretation of the data from our preclinical trials and clinical trials; or
- collaboration partners may not perform or complete their clinical programs in a timely manner, or at all.

Any of these factors, many of which are beyond our control, could delay or jeopardize our or our collaboration partners' abilities to obtain regulatory approval for our product candidates in one or more indications.

Even if we believe our clinical trials are successful, regulatory authorities may not agree that our completed clinical trials provide adequate data on safety or efficacy. Approval by one regulatory authority does not ensure approval by any other regulatory authority. For example, while we have received approval of our marketing authorization applications for roxadustat in the European Union, Great Britain, China, Japan, and other countries for the treatment of anemia in CKD for patients who are on dialysis and not on dialysis, we received a CRL in CKD anemia in the U.S. from the FDA regarding roxadustat's New Drug Application for the treatment of anemia due to CKD, stating that it could not be approved in its present form. In addition, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process or commercial uptake in other countries.

Even if we do obtain regulatory approval, our product candidates may be approved for fewer or more limited indications than we request, approval may be contingent on the performance of costly post-marketing clinical trials, or approval may require labeling that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. In addition, if our product candidates produce undesirable side effects or safety issues, the FDA may require the establishment of Risk Evaluation and Mitigation Strategy (or other regulatory authorities may require the establishment of a similar strategy), that may restrict distribution of our approved products, if any, and impose burdensome implementation requirements on us.

Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

There is a significant risk that our U.S./Rest of World Collaboration Agreement with AstraZeneca will be terminated.*

While our China Collaboration Agreement with AstraZeneca will continue, it is probable that our U.S./Rest of World Collaboration Agreement with AstraZeneca will be terminated. Such a termination could have a material impact on our business, operating results, and financial condition, as we would not be eligible for any remaining development cost sharing or development or commercialization milestones outside of China from AstraZeneca.

Preclinical, Phase 1 and Phase 2 clinical trial results may not be indicative of the results that may be obtained in larger clinical trials.*

Clinical development is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Success in preclinical and early clinical trials, which are often highly variable and use small sample sizes, may not be predictive of similar results in humans or in larger, controlled clinical trials, and successful results from clinical trials in one indication may not be replicated in other indications. For example, ZEPHYRUS-1, our Phase 3 clinical trial of pamrevlumab in 356 patients with idiopathic pulmonary fibrosis, was unable to replicate the efficacy results we saw in PRAISE, a smaller Phase 2 study of pamrevlumab in the same indication.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development, and we may face similar setbacks.

We do not know whether our ongoing or planned clinical trials of roxadustat or pamrevlumab will need to be redesigned based on interim results or if we will be able to achieve sufficient patient enrollment or complete planned clinical trials on schedule.*

Clinical trials can be delayed, suspended, or terminated by us, by the relevant institutional review boards at the sites at which such trials are being conducted, or by the FDA or other regulatory authorities, for a variety of reasons or factors, including:

- delay or failure to address any physician or patient safety concerns that arise during the course of the trial, including unforeseen safety issues or adverse side effects, or a principal investigator's determination that a serious adverse event could be related to our product candidates;
- delay or failure to obtain required regulatory or institutional review board approval or guidance;

- •delay or failure to reach timely agreement on acceptable terms with prospective CROs and clinical trial sites;
- •delay or failure to recruit, enroll and retain patients through the completion of the trial;
- •patient recruitment, enrollment, or retention, or clinical site initiation or retention problems associated with the Severe Acute Respiratory Syndrome Coronavirus 2 and the resulting Coronavirus Disease (“COVID-19”) pandemic;
- •patient recruitment, enrollment, or retention, clinical site initiation, or retention problems associated with civil unrest or military conflicts around the world;
- •delay or failure to maintain clinical sites in compliance with clinical trial protocols or to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;
- •delay or failure to initiate or add a sufficient number of clinical trial sites;
- •delay or failure to manufacture sufficient quantities of product candidate for use in clinical trials;
- •difficulty enrolling a sufficient number of patients to conduct our clinical trials as planned;
- •inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, warning letter, or other regulatory action; and
- •changes in laws or regulations.

In particular, identifying and qualifying patients to participate in clinical trials of our product candidates is critical to our success. The timing of our clinical trials depends on the rate at which we can recruit and enroll patients in testing our product candidates. Patients may be unwilling to participate in clinical trials of our product candidates for a variety of reasons, some of which may be beyond our control, including:

- •severity of the disease under investigation;
- •availability of alternative treatments;
- •size and nature of the patient population;
- •eligibility criteria for and design of the study in question;
- •perceived risks and benefits of the product candidate under study;
- •ongoing clinical trials of competitive agents;
- •physicians’ and patients’ perceptions of the potential advantages of our product candidates being studied in relation to available therapies or other products under development;
- •our CRO’s and our trial sites’ efforts to facilitate timely enrollment in clinical trials;
- •patient referral practices of physicians; and
- •ability to monitor patients and collect patient data adequately during and after treatment.

Any delays in completing our clinical trials will increase the costs of the trial, delay the product candidate development and approval process and jeopardize our ability to commence marketing and generate revenues. Any of these occurrences may materially and adversely harm our business, operations, and prospects.

Our product candidates may cause or have attributed to them undesirable side effects or have other properties that delay or prevent their regulatory approval or limit their commercial potential.

Undesirable side effects caused by our product candidates or that may be identified as related to our product candidates by physician investigators conducting our clinical trials or even competing products in development that utilize a similar mechanism of action or act through a similar biological disease pathway could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in the delay or denial of regulatory approval by the FDA or other regulatory authorities and potential product liability claims. If we determine that there is a likely causal relationship between a serious adverse event and our product candidate, and such safety event is material or significant enough, it may result in:

- •our clinical trial development plan becoming longer and more expensive;
- •terminating some of our clinical trials for the product candidates or specific indications affected;

- regulatory authorities increasing the data and information required to approve our product candidates and imposing other requirements; and
- our collaboration partners terminating our existing agreements.

The occurrence of any or all of these events may cause the development of our product candidates to be delayed or terminated, which could materially and adversely affect our business and prospects.

Clinical trials of our product candidates may not uncover all possible adverse effects that patients may experience.

Clinical trials are conducted in representative samples of the potential patient population, which may have significant variability. Pamrevlumab is being studied in patient populations that are at high risk of death and adverse events, and even if unrelated to pamrevlumab, adverse safety findings in these trials may limit its further development or commercial potential. Clinical trials are by design based on a limited number of subjects and of limited duration for exposure to the product used to determine whether, on a potentially statistically significant basis, the planned safety and efficacy of any product candidate can be achieved. As with the results of any statistical sampling, we cannot be sure that all side effects of our product candidates may be uncovered, and it may be the case that only with a significantly larger number of patients exposed to the product candidate for a longer duration, that a more complete safety profile is identified. Further, even larger clinical trials may not identify rare serious adverse effects or the duration of such studies may not be sufficient to identify when those events may occur. There have been other products, including erythropoiesis stimulating agents ("ESAs"), for which safety concerns have been uncovered following approval by regulatory authorities. Such safety concerns have led to labeling changes or withdrawal of ESAs products from the market. While roxadustat is chemically unique from ESAs, it or any of our product candidates may be subject to known or unknown risks. Patients treated with our products, if approved, may experience adverse reactions and it is possible that the FDA or other regulatory authorities may ask for additional safety data as a condition of, or in connection with, our efforts to obtain approval of our product candidates. If safety problems occur or are identified after our product candidates reach the market, we may, or regulatory authorities may require us to amend the labeling of our products, recall our products or even withdraw approval for our products.

If our manufacturers or we cannot properly manufacture the appropriate volume of product, we may experience delays in development, regulatory approval, launch or successful commercialization.*

Completion of our clinical trials and commercialization of our products require access to, or development of, facilities to manufacture and manage our product candidates at sufficient yields, quality and at commercial scale. Although we have entered into commercial supply agreements for roxadustat and pamrevlumab, we will need to enter into additional commercial supply agreements, including for backup or second source third-party manufacturers. We may not be able to enter into these agreements with satisfactory terms or on a timely manner. In addition, we may experience delays or technical problems associated with technology transfer of manufacturing processes to any new suppliers.

We have relatively limited experience manufacturing or managing third parties in manufacturing any of our product candidates in the volumes that are expected to be necessary to support large-scale clinical trials and sales. In addition, we have limited experience forecasting supply requirements or coordinating supply chain (including export and customs management) for launch or commercialization, which is a complex process involving our third-party manufacturers and logistics providers, and for roxadustat, our collaboration partners. We may not be able to accurately forecast supplies for commercial launch or do so in a timely manner and our efforts to establish these manufacturing and supply chain management capabilities may not meet our requirements as to quantities, scale-up, yield, cost, potency or quality in compliance with cGMP, particularly if the marketing authorization or market uptake is more rapid than anticipated or we have an unanticipated surge in demand.

We have a limited amount of roxadustat and pamrevlumab in storage, limited capacity reserved at our third-party manufacturers, and, even if we have or are able to put sufficient supply agreements in place for our development and commercialization plan, there are long lead times required to manufacture and scale-up the manufacture of additional supply, as well as for raw materials and components for manufacture of our products, as required for both late-stage clinical trials, post-approval trials, and commercial supply. There is a general risk of delayed drug supply due to delays experienced by any third-party provider in the supply chain, including raw material and components suppliers, export and customs locations, and shipping companies. In addition, if we are not able to obtain regulatory approval of roxadustat in the U.S. in CKD anemia, we may have excess supply manufactured in anticipation of commercialization. Such roxadustat excess supply could be wasted, for example, if it expires prior to being used in other clinical trials or prior to being used in other territories where such roxadustat formulation is approved. If we are unable to forecast, order or manufacture sufficient quantities of roxadustat or pamrevlumab on a timely basis, it may delay our development, launch or commercialization in some or all indications we are currently pursuing. Any delay or interruption in the supply of our product candidates or products could have a material adverse effect on our business and operations.

Our commercial drug product and the product we use for clinical trials must be produced under applicable cGMP regulations. Failure to comply with these regulations by us or our third-party manufacturers may require us to recall commercial product or repeat clinical trials, which would impact sales revenue and/or delay the regulatory approval process.

We or our partners may add or change manufacturers, change our manufacturing processes, or change packaging specifications to accommodate changes in regulations, manufacturing equipment or to account for different processes at new or second source suppliers. Changes made to roxadustat or pamrevlumab including, but not limited to, demonstration of comparability to regulatory approved/ in approval products and processes, additional clinical trials, delays in development or commercialization, earlier expiration dates, shorter shelf life, or specification failures, may materially impact our operations and potential profitability.

We, and even an experienced third-party manufacturer, may encounter difficulties in production. Difficulties may include:

- costs and challenges associated with scale-up and attaining sufficient manufacturing yields, in particular for biologic products such as pamrevlumab, which is a monoclonal antibody;
- contracting with additional suppliers and validation/qualification of additional facilities to meet growing demand;
- supply chain issues, including coordination of multiple contractors in our supply chain and securing necessary licenses (such as export licenses);
- the timely availability and shelf life requirements of raw materials and supplies, including delays in availability due to the COVID-19 pandemic;
- limited stability and product shelf life;
- equipment maintenance issues or failure;
- quality control and quality assurance issues;
- shortages of qualified personnel and capital required to manufacture large quantities of product;
- compliance with regulatory requirements that vary in each country where a product might be sold;
- capacity or forecasting limitations and scheduling availability in contracted facilities;
- natural disasters, such as pandemics, floods, storms, earthquakes, tsunamis, and droughts, or accidents such as fire, that affect facilities, possibly limit or postpone production, and increase costs;
- delays in transporting intermediates, active pharmaceutical ingredients (“API”) or finished products from one geography to another; and
- failure to obtain license to proprietary starting materials.

Regulatory authorities will do their own benefit risk analysis and may reach a different conclusion than we or our partners have, and these regulatory authorities may base their approval decision on different analyses, data, and statistical methods than ours.*

Even if we believe we have achieved positive clinical results, such as superiority or non-inferiority, in certain endpoints, populations or sub-populations, or using certain statistical methods of analysis, regulatory authorities conduct their own benefit-risk analysis and may reach different conclusions, using different statistical methods, different endpoints or definitions thereof, or different patient populations or sub-populations. Furthermore, while we may seek regulatory advice or agreement in key commercial markets prior to and after application for marketing authorization, regulatory authorities may change their approvability criteria based on the data, their internal analyses and external factors, including discussions with expert advisors. Regulatory authorities may approve one of our product candidates for fewer or more limited indications than we request or may grant approval contingent on the performance of costly post-approval clinical trials. While we have and will present to regulatory authorities certain pre-specified and post hoc (not pre-specified) sub-populations, sub-group, and sensitivity analyses (for example, incident dialysis), multiple secondary endpoints, and multiple sets of stratification factors and analytical methods (such as long-term follow up analyses), including adjusted and censored data, regulatory authorities may reject these analyses, methods, or even parts of our trial design or certain data from our studies, the rationale for our pre-specified non-inferiority margins or other portions of our statistical analysis plans. In addition, even if we are able to provide positive data with respect to certain analyses, regulatory authorities may not include such claims on any approved labeling. The failure to obtain regulatory approval, or any label, population or other approval limitations in any jurisdiction, may significantly limit or delay our ability to generate revenues, and any failure to obtain such approval for all of the indications and labeling claims we deem desirable could reduce our potential revenue.

We face substantial competition in the discovery, development and commercialization of product candidates.*

The development and commercialization of new pharmaceutical products is highly competitive. Our future success depends on our ability and/or the ability of our collaboration partners to achieve and maintain a competitive advantage with respect to the development and commercialization of our product candidates. Our objective is to discover, develop and commercialize new products with superior efficacy, convenience, tolerability, and safety.

We expect that in many cases, the products that we commercialize will compete with existing marketed products of companies that have large, established commercial organizations. We face competition from generics that could enter the market after expiry of our composition of matter patent. As of the end of the second quarter of 2023, the Chinese health authority has accepted abbreviated new drug applications for eight generic roxadustat applicants.

In addition, we will likely face competition from other companies developing products in the same diseases or indications in which we are developing or commercializing products. We will also face competition for patient recruitment, enrollment for clinical trials.

Refer to Item 1. "*Business - Competition*" in our 2022 Form 10-K for a discussion of the specific companies that are on the market or in late-stage development with which we may compete.

The success of any or all of these potential competitive products may negatively impact the development and potential for success of our products.

Moreover, many of our competitors have significantly greater resources than we do. Large pharmaceutical companies have extensive experience, greater scale, and efficiency, in clinical testing, obtaining regulatory approvals, recruiting patients, manufacturing pharmaceutical products, and commercialization. If our collaboration partners and we are not able to compete effectively against existing and potential competitors, our business and financial condition may be materially and adversely affected.

Our product candidates may not achieve adequate market acceptance among physicians, patients, healthcare payors, and others in the medical community necessary for commercial success.

Even if our product candidates receive regulatory approval, they may not gain adequate market acceptance among physicians, patients, healthcare payors, and others in the medical community. Demonstrating safety and efficacy of our product candidates and obtaining regulatory approvals will not guarantee future revenue. The degree of market acceptance of any of our approved product candidates will depend on several factors, including:

- the efficacy of the product candidate as demonstrated in clinical trials;
- the safety profile and perceptions of safety of our product candidates relative to competitive products;
- acceptance of the product candidate as a safe and effective treatment by healthcare providers and patients;
- the clinical indications for which the product candidate is approved;
- the potential and perceived advantages of the product candidate over alternative treatments, including any similar generic treatments;
- the inclusion or exclusion of the product candidate from treatment guidelines established by various physician groups and the viewpoints of influential physicians with respect to the product candidate;
- the cost of the product candidate relative to alternative treatments;
- adequate pricing and reimbursement by third parties and government authorities as described below;
- the relative convenience and ease of administration;
- the frequency and severity of adverse events;
- the effectiveness of sales and marketing efforts; and
- any unfavorable publicity relating to the product candidate.

In addition, see the risk factor titled “Our product candidates may cause or have attributed to them undesirable side effects or have other properties that delay or prevent their regulatory approval or limit their commercial potential” above. If any product candidate is approved but does not achieve an adequate level of acceptance by such parties, we may not generate or derive sufficient revenue from that product candidate and may not become or remain profitable.

No or limited reimbursement or insurance coverage of our approved products, by third-party payors may render our products less attractive to patients and healthcare providers.

Market acceptance and sales of any approved products will depend significantly on reimbursement or coverage of our products by government or third-party payors and may be affected by existing and future healthcare reform measures or prices of related products for which the government or third-party reimbursement applies. Coverage and reimbursement by the government or a third-party payor may depend upon a number of factors, including the payor’s determination that use of a product is:

- a covered benefit under applicable health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor, which we may not be able to provide. Furthermore, the reimbursement policies of governments and third-party payors may significantly change in a manner that renders our clinical data insufficient for adequate reimbursement or otherwise limits the successful marketing of our products. Even if we obtain coverage for our product candidates, the pricing may be subject to re-negotiations or third-party payors may not establish adequate reimbursement amounts, which may reduce the demand for, or the price of, our products. For example, our current National Reimbursement Drug List reimbursement pricing for China is effective for a standard two-year period (between January 1, 2022 to December 31, 2023), after which time we will have to renegotiate a new price for roxadustat.

Reference pricing is used by various Europe member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, our partner or we may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our product candidates to other available products in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unacceptable levels, our partner or we may elect not to commercialize our products in such countries, and our business and financial condition could be adversely affected.

Risks Related to Our Reliance on Third Parties

If our collaborations were terminated or if our partners were unwilling or unable to contribute or participate in the collaborations, our ability to successfully develop and commercialize the relevant product candidate would suffer.*

We have entered into an Evaluation Agreement with Fortis Therapeutics, Inc. (“Fortis”) under which we rely, in part, on Fortis and its development partners, including UCSF, for the continued development of FOR46 (now referred to as “FG-3246”). While we control development of FG-3246 during the up to 4-year evaluation period, we will be doing so under Fortis’s investigational new drug application. If Fortis was unable or unwilling to continue their development efforts, our ability to develop FG-3246 would be delayed.

We have also entered into collaboration agreements with respect to the development and commercialization of roxadustat with Astellas and AstraZeneca. These agreements provide for reimbursement of our development costs by our collaboration partners and also provide for commercialization of roxadustat throughout the major territories of the world.

Our agreements with Astellas and AstraZeneca provide each of them with the right to terminate their respective agreements with us, upon the occurrence of negative clinical results, delays in the development and commercialization of our product candidates or adverse regulatory requirements or guidance. In addition, each of those agreements provides our respective partners the right to terminate any of those agreements upon written notice for convenience. The termination of any of our collaboration agreements would require us to fund and perform the further development and commercialization of roxadustat in the affected territory, or pursue another collaboration, which we may be unable to do, either of which could have an adverse effect on our business and operations. Moreover, if Astellas or AstraZeneca, or any successor entity, were to determine that their collaborations with us are no longer a strategic priority, or if either of them or a successor were to reduce their level of commitment to their collaborations with us, our ability to commercialize roxadustat could suffer.

While we continue to co-commercialize roxadustat in China with AstraZeneca and develop roxadustat in China in CIA, it is probable that our U.S./Rest of World Collaboration Agreement with AstraZeneca will be terminated. In addition, if our collaboration partners are unsuccessful in their commercialization efforts (particularly in Europe and China), our results will be negatively affected.

If we do not establish and maintain strategic collaborations related to our product candidates, we will bear all of the risk and costs related to the development and commercialization of any such product candidate, and we may need to seek additional financing, hire additional employees and otherwise develop expertise at significant cost. This in turn may negatively affect the development of our other product candidates as we direct resources to our most advanced product candidates.

We may conduct proprietary research programs in specific disease areas that are not covered by our collaboration agreements. Our pursuit of such opportunities could, however, result in conflicts with our collaboration partners in the event that any of our collaboration partners takes the position that our internal activities overlap with those areas that are exclusive to our collaboration agreements. Moreover, disagreements with our collaboration partners could develop over rights to our intellectual property, including the enforcement of those rights. In addition, our collaboration agreements may have provisions that give rise to disputes regarding the rights and obligations of the parties. Any conflict with our collaboration partners could lead to the termination of our collaboration agreements, delay collaborative activities, reduce our ability to renew agreements or obtain future collaboration agreements or result in litigation or arbitration and would negatively impact our relationship with existing collaboration partners, and could impact our commercial results.

Certain of our collaboration partners could also become our competitors in the future. If our collaboration partners develop competing products, fail to obtain necessary regulatory approvals, terminate their agreements with us prematurely or fail to devote sufficient resources to the development and commercialization of our product candidates, the development and commercialization of our product candidates and products could be delayed.

If our preclinical and clinical trial contractors do not properly perform their agreed upon obligations, we may not be able to obtain or may be delayed in receiving regulatory approvals for our product candidates.*

We rely heavily on university, hospital, and other institutions and third parties, including the principal investigators and their staff, to carry out our clinical trials in accordance with our clinical protocols and designs. We also rely on a number of third-party CROs to assist in undertaking, managing, monitoring and executing our ongoing clinical trials. We expect to continue to rely on CROs, clinical data management organizations, medical institutions and clinical investigators to conduct our development efforts in the future. We compete with many other companies for the resources of these third parties, and other companies may have significantly more extensive agreements and relationships with such third-party providers, and such third-party providers may prioritize these relationships over ours. The third parties on whom we rely may terminate their engagements with us at any time, which may cause delay in the development and commercialization of our product candidates. If any such third party terminates its engagement with us or fails to perform as agreed, we may be required to enter into alternative arrangements, which would result in significant cost and delay to our product development program. Moreover, our agreements with such third parties generally do not provide assurances regarding employee turnover and availability, which may cause interruptions in the research on our product candidates by such third parties.

Despite our reliance on third parties for certain development and management activities, such as clinical trials, we, as the sponsor, remain responsible for ensuring that these activities are conducted in accordance with the FDA and foreign regulatory authorities' investigational plans and protocols, including GCP requirements. Regulatory enforcement of GCP requirements can occur through periodic inspections of trial sponsors, principal investigators, and trial sites.

To ensure the quality and accuracy of our data remains uncompromised and reliable, our third-party service providers must comply with applicable GCP requirements, regulations, protocols, and agreements. Failures to do so by such third-party partners, or needing to replace such third-party service providers, may delay, suspend or terminate development of our product candidates, result in exclusion of patient data from approval applications, or require additional clinical trials before approval of marketing applications. Such events may ultimately prevent regulatory approval for our product candidates on a timely basis, at a reasonable cost, or at all.

We currently rely, and expect to continue to rely, on third parties to conduct many aspects of our product manufacturing and distribution, and these third parties may terminate these agreements or not perform satisfactorily.*

We do not have operating manufacturing facilities at this time other than our roxadustat manufacturing facilities in China. We currently rely, and expect to continue to rely, on third parties to scale-up, manufacture and supply roxadustat and our other product candidates for drug product in Europe and other countries, and on our partner Astellas for drug product in Japan. We rely on third parties for distribution, including our collaboration partners and their vendors, except in China where we have established a jointly owned entity with AstraZeneca to manage most of the distribution in China. Risks arising from our reliance on third-party manufacturers include:

- reduced control and additional burdens of oversight as a result of using third-party manufacturers and distributors for all aspects of manufacturing activities, including regulatory compliance and quality control and quality assurance;
- termination of manufacturing agreements, termination fees associated with such termination, or nonrenewal of manufacturing agreements with third parties may negatively impact our planned development and commercialization activities;
- significant financial commitments we may be required to make with third-party manufacturers for early-stage clinical or pre-clinical programs that may fail to produce scientific results that would justify further development (without the ability to mitigate the manufacturing investments);
- the possible misappropriation of our proprietary technology, including our trade secrets and know-how; and
- disruptions to the operations of our third-party manufacturers, distributors or suppliers unrelated to our product, including the merger, acquisition, or bankruptcy of a manufacturer or supplier or a catastrophic event, affecting our manufacturers, distributors or suppliers.

Any of these events could lead to development delays or failure to obtain regulatory approval or affect our ability to successfully commercialize our product candidates. Some of these events could be the basis for action by the FDA or another regulatory authority, including injunction, recall, seizure or total or partial suspension of production.

Considering we do not control our contract manufacturers' facilities and operations used to manufacture our product candidates, but are still responsible for cGMP adherence, if our contract manufacturers cannot successfully manufacture material that conforms to our or our collaboration partners' specifications, or the regulatory requirements, our development and commercialization plans and activities may be adversely affected. Although our longer-term agreements are expected to provide for requirements to meet our quantity and quality requirements (e.g., through audit rights) to manufacture our products candidates for clinical studies and commercial sale, we have limited or minimal direct control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If our contract manufacturers' facilities do not pass inspection, are not approved or have their approvals withdrawn by regulatory authorities, we would need to identify and qualify alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our products, if approved. Moreover, any failure of our third-party manufacturers, to comply with applicable regulations could result in legal sanctions/penalties being imposed on us or adverse regulatory consequences, which would be expected to significantly and adversely affect our product supplies.

If any third-party manufacturers terminate their engagements with us or fail to perform as agreed, we may be required to identify, qualify, and contract with replacement manufacturers (including entering into technical transfer agreements to share know-how), which process may result in significant costs and delays to our development and commercialization programs.

We may experience delays or technical problems associated with technology transfer, scale-up, or validation of our biologics manufacturing.*

We have entered into an initial commercial supply agreement for the manufacture of pamrevlumab with Samsung Biologics Co., Ltd. ("Samsung") and are transitioning our manufacturing of pamrevlumab from Boehringer Ingelheim to Samsung. However, we may experience delays or technical problems associated with:

- technology transfer of the manufacturing process to Samsung;

- •scale-up and production of cGMP batches;
- •analytical method validation and transfer to Samsung;
- •process validation, including process characterization and process performance qualification batches; and
- •set up and execution of appropriate stability studies.

We have made certain manufacturing commitments to Samsung, and there is a contractual risk we will not require the quantities of pamrevlumab we have committed to, particularly if we cease some of our pamrevlumab clinical trials, such as our termination of our ZEPHYRUS-2 study, as well as open label extensions for IPF and DMD indications. We may also not require quantities of pamrevlumab we have prepared for launch supply (for example for the idiopathic pulmonary fibrosis indication). In addition, our product candidates and any products that we may develop may compete with other product candidates and products for access and prioritization to manufacture. Certain third-party manufacturers may be contractually prohibited from manufacturing our product due to non-compete agreements with our competitors or a commitment to grant another party priority relative to our products. There are a limited number of third-party manufacturers that operate under cGMP and that might be capable of manufacturing to meet our requirements. Due to the limited number of third-party manufacturers with the contractual freedom, expertise, required regulatory approvals and facilities to manufacture our products on a commercial scale, identifying and qualifying a replacement third-party manufacturer would be expensive and time-consuming and may cause delay or interruptions in the production of our product candidates or products, which in turn may delay, prevent or impair our development and commercialization efforts. We also carry the risk that we may need to pay termination fees to Samsung or other manufacturers in the event that we have to manufacture lower volumes or not at all depending on the results of our clinical trials. We may be subject to payments to Samsung to cover for committed manufacturing campaigns even if we do not need the material for clinical or commercial usage. In addition, third party manufacturers tend to change their upfront fees or postponement/cancelation fees over time or upon initiation of additional contracts, and this may lead to unanticipated financial loss for FibroGen.

If we need to find a supplier in China, there may be additional delays in importing custom raw materials and supplements into China.

Certain components of our products are acquired from single-source suppliers or without long-term supply agreements. The loss of these suppliers, or their failure to supply, would materially and adversely affect our business.

We do not have an alternative supplier of certain components of our commercial products and product candidates. While we have obligations for second-source suppliers in our roxadustat collaboration agreements, we may be unable to enter into long-term commercial supply arrangements for some of our other products, or do so on commercially reasonable terms, which could have a material adverse impact upon our business. Although we have entered into long-term clinical and commercial supply arrangements for pamrevlumab, we currently rely on our contract manufacturers to purchase from third-party suppliers some of the materials necessary to produce our product candidates. We do not have direct control over the acquisition of those materials by our contract manufacturers.

The logistics of our supply chain, which include shipment of materials and intermediates from countries such as China and India add additional time and risk (including risk of loss) to the manufacture of our product candidates. While we have in the past maintained sufficient inventory of materials, API, and drug product to meet our and our collaboration partners' needs to date, the lead-time and regulatory approvals required to source from and into countries outside of the U.S. increase the risk of delay and potential shortages of supply.

Risks Related to Our Intellectual Property

If our efforts to protect our proprietary technologies are not adequate, we may not be able to compete effectively in our market.

We rely upon a combination of patents, trade secret protection, and contractual arrangements to protect the intellectual property related to our technologies. We will only be able to protect our products and proprietary information and technology to the extent that our patents, trade secrets, contractual position, and governmental regulations and laws allow us to do so. Any unauthorized use or disclosure of proprietary information or technology could compromise our competitive position. Moreover, we are, have been, and may in the future be involved in legal proceedings involving our intellectual property and initiated by third parties, which proceedings can be associated with significant costs and commitment of management time and attention.

We have in the past been involved, and may in the future be involved, in initiating legal or administrative proceedings involving the product candidates and intellectual property of our competitors. These proceedings can result in significant costs and commitment of management time and attention, and there can be no assurance that our efforts would be successful in preventing or limiting the ability of our competitors to market competing products.

Composition-of-matter patents are generally considered the strongest form of intellectual property protection for pharmaceutical products, as such, patents provide protection not limited to any one method of use. Method-of-use patents protect the use of a product for the specified method(s), and do not prevent a competitor from making and marketing a product that is identical to our product for an indication that is outside the scope of the patented method. We rely on a combination of these and other types of patents to protect our product candidates, and there can be no assurance that our intellectual property will create and sustain the competitive position of our product candidates.

Biotechnology and pharmaceutical product patents involve highly complex legal and scientific questions and can be uncertain. Any patent applications we own or license may fail to result in granted or issued patents. Even if patents do successfully issue from our applications, third parties may challenge their validity or enforceability, which may result in such patents being narrowed, invalidated, or held unenforceable. Even if our patents and patent applications are not challenged by third parties, those patents and patent applications may not prevent others from designing around our claims and may not otherwise adequately protect our product candidates. If the breadth or strength of protection provided by the patents and patent applications we hold with respect to our product candidates is threatened, competitors with significantly greater resources could threaten our ability to commercialize our product candidates. Discoveries are generally published in the scientific literature well after their actual development, and patent applications in the U.S. and other countries are typically not published until 18 months after their filing, and in some cases are never published. Therefore, we cannot be certain that our licensors or we were the first to make the inventions claimed in our owned and licensed patents or patent applications, or that our licensors or we were the first to file for patent protection covering such inventions. Subject to meeting other requirements for patentability, for U.S. patent applications filed prior to March 16, 2013, the first to invent the claimed invention is entitled to receive patent protection for that invention while, outside the U.S., the first to file a patent application encompassing the invention is entitled to patent protection for the invention. The U.S. moved to a “first to file” system under the Leahy-Smith America Invents Act, effective March 16, 2013. This system also includes procedures for challenging issued patents and pending patent applications, which creates additional uncertainty. We have, are, and may again become involved in, opposition or interference proceedings challenging our patents and patent applications, or the patents and patent applications of others, and the outcome of any such proceedings are highly uncertain. An unfavorable outcome in any such proceedings could reduce the scope of or invalidate our patent rights, allow third parties to commercialize our technology and compete directly with us, or result in our inability to manufacture, develop or commercialize our product candidates without infringing the patent rights of others.

In addition to the protection afforded by patents, we seek to rely on trade secret protection and confidentiality agreements to protect proprietary know-how, information, or technology that is not covered by our patents. Although our agreements require employees to acknowledge ownership by us of inventions conceived as a result of employment from the point of conception and, to the extent necessary, perfect such ownership by assignment, and we require employees, consultants, advisors and third parties who have access to our trade secrets, proprietary know-how and other confidential information and technology to enter into appropriate confidentiality agreements, we cannot be certain that our trade secrets, proprietary know-how and other confidential information and technology will not be subject to unauthorized disclosure, use, or misappropriation or that our competitors will not otherwise gain access to or independently develop substantially equivalent trade secrets, proprietary know-how and other information and technology. Furthermore, the laws of some foreign countries, in particular, China, where we have operations, do not protect proprietary rights to the same extent or in the same manner as the laws of the U.S. As a result, we may encounter significant problems in protecting and defending our intellectual property globally. If we cannot prevent unauthorized disclosure of our intellectual property related to our product candidates and technology to third parties, we may not establish or maintain a competitive advantage in our market, which could materially and adversely affect our business and operations.

Intellectual property disputes may be costly, time consuming, and may negatively affect our competitive position.*

Our commercial success may depend on our avoiding infringement of the patents and other proprietary rights of third parties as well as on enforcing our patents and other proprietary rights against third parties.

Our collaboration partners or we may be subject to patent infringement claims from third parties. We attempt to ensure that our product candidates do not infringe third-party patents and other proprietary rights. However, the patent landscape in competitive product areas is highly complex, and there may be patents of third parties of which we are unaware that may result in claims of infringement. Accordingly, there can be no assurance that our product candidates do not infringe proprietary rights of third parties, and parties making claims against us may seek and obtain injunctive or other equitable relief, which could potentially block further efforts to develop and commercialize our product candidates, including roxadustat or pamrevlumab. Any litigation involving defense against claims of infringement, regardless of the merit of such claims, would involve substantial litigation expense and would be a substantial diversion of management time.

We may consider administrative proceedings and other means for challenging third-party patents and patent applications. An unfavorable outcome in any such challenge could require us to cease using the related technology and to attempt to license rights to it from the prevailing third party, which may not be available on commercially reasonable terms, if at all, in which case our business could be harmed.

Third parties have challenged and may again challenge our patents and patent applications. For example, various challenges against our hypoxia-inducible factor anemia-related technologies patent portfolio are ongoing in several territories, including Europe, the United Kingdom, and Japan. Regardless of final outcome, the potential narrowing or revocation of any of the hypoxia-inducible factor anemia-related technology patents does not affect our exclusivity for roxadustat or our freedom-to-operate with respect to use of roxadustat for the treatment of anemia in these or other territories.

Oppositions were filed against European Patent Nos. 2872488 (the "`488 Patent") and 3470397 (the "`397 Patent"), which claims relate to a crystalline form of roxadustat, and against European Patent No. 3003284 (the "`284 Patent"), which claims photostable formulations of roxadustat. Similar challenges have been filed in China against patents which claim a crystalline form of roxadustat. Final resolution of such proceedings will take time, and we cannot be assured that these patents will ultimately survive as originally granted or at all.

Furthermore, there is a risk that any public announcements concerning the status or outcomes of intellectual property litigation or administrative proceedings may adversely affect the price of our stock. If securities analysts or our investors interpret such status or outcomes as negative or otherwise creating uncertainty, our common stock price may be adversely affected.

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

Our reliance on third-party contractors to develop and manufacture our product candidates is based upon agreements that limit the rights of the third parties to use or disclose our confidential information, including our trade secrets and know-how. Despite the contractual provisions, the need to share trade secrets and other confidential information increases the risk that such trade secrets and information are disclosed or used, even if unintentionally, in violation of these agreements. In the highly competitive markets in which our product candidates are expected to compete, protecting our trade secrets, including our strategies for addressing competing products, is imperative, and any unauthorized use or disclosure could impair our competitive position and may have a material adverse effect on our business and operations.

In addition, our collaboration partners are larger, more complex organizations than ours, and the risk of inadvertent disclosure of our proprietary information may be increased despite their internal procedures and contractual obligations that we have in place with them. Despite our efforts to protect our trade secrets and other confidential information, a competitor's discovery of such trade secrets and information could impair our competitive position and have an adverse impact on our business.

The cost of maintaining our patent protection is high and requires continuous review and diligence. We may not be able to effectively maintain our intellectual property position throughout the major markets of the world.

The U.S. Patent and Trademark Office and foreign patent authorities require maintenance fees and payments as well as continued compliance with a number of procedural and documentary requirements. Noncompliance may result in abandonment or lapse of the subject patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance may result in reduced royalty payments for lack of patent coverage in a particular jurisdiction from our collaboration partners or may result in competition, either of which could have a material adverse effect on our business.

We have made, and will continue to make, certain strategic decisions in balancing costs and the potential protection afforded by the patent laws of certain countries. As a result, we may not be able to prevent third parties from practicing our inventions in all countries throughout the world, or from selling or importing products made using our inventions in and into the U.S. or other countries. Third parties may use our technologies in territories in which we have not obtained patent protection to develop their own products and, further, may infringe our patents in territories which provide inadequate enforcement mechanisms, even if we have patent protection. Such third-party products may compete with our product candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the U.S., and we may encounter significant problems in securing and defending our intellectual property rights outside the U.S.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain countries. The legal systems of certain countries do not always favor the enforcement of patents, trade secrets, and other intellectual property rights, particularly those relating to pharmaceutical and biotechnology products, which could make it difficult for us to stop infringement of our patents, misappropriation of our trade secrets, or marketing of competing products in violation of our proprietary rights. In China, our intended establishment of significant operations will depend in substantial part on our ability to effectively enforce our intellectual property rights in that country. Proceedings to enforce our intellectual property rights in foreign countries could result in substantial costs and divert our efforts and attention from other aspects of our business, and could put our patents in these territories at risk of being invalidated or interpreted narrowly, or our patent applications at risk of not being granted, and could provoke third parties to assert claims against us. We may not prevail in all legal or other proceedings that we may initiate and, if we were to prevail, the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Intellectual property rights do not address all potential threats to any competitive advantage we may have.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and intellectual property rights may not adequately protect our business or permit us to maintain our competitive advantage. The following examples are illustrative:

- Others may be able to make compounds or independently develop similar or alternative technologies that are the same as or similar to our current or future product candidates but that are not covered by the claims of the patents that we own or have exclusively licensed.
- Patent protection on our product candidates may expire before we are able to develop and commercialize the product, or before we are able to recover our investment in the product.
- Our competitors might conduct research and development activities in the U.S. and other countries that provide a safe harbor from patent infringement claims for such activities, as well as in countries in which we do not have patent rights, and may then use the information learned from such activities to develop competitive products for sale in markets where we intend to market our product candidates.

The existence of counterfeit pharmaceutical products in pharmaceutical markets may compromise our brand and reputation and have a material adverse effect on our business, operations and prospects.

Counterfeit products, including counterfeit pharmaceutical products, are a significant problem, particularly in China. Counterfeit pharmaceuticals are products sold or used for research under the same or similar names, or similar mechanism of action or product class, but which are sold without proper licenses or approvals, and are often lower cost, lower quality, different potency, or have different ingredients or formulations, and have the potential to damage the reputation for quality and effectiveness of the genuine product. Such products may be used for indications or purposes that are not recommended or approved or for which there is no data or inadequate data with regard to safety or efficacy. Such products divert sales from genuine products. If counterfeit pharmaceuticals illegally sold or used for research result in adverse events or side effects to consumers, we may be associated with any negative publicity resulting from such incidents. Consumers may buy counterfeit pharmaceuticals that are in direct competition with our pharmaceuticals, which could have an adverse impact on our revenues, business and results of operations. In addition, the use of counterfeit products could be used in non-clinical or clinical studies, or could otherwise produce undesirable side effects or adverse events that may be attributed to our products as well, which could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in the delay or denial of regulatory approval by the FDA or other regulatory authorities and potential product liability claims. With respect to China, although the government has recently been increasingly active in policing counterfeit pharmaceuticals, there is not yet an effective counterfeit pharmaceutical regulation control and enforcement system in China. As a result, we may not be able to prevent third parties from selling or purporting to sell our products in China. The proliferation of counterfeit pharmaceuticals has grown in recent years and may continue to grow in the future. The existence of and any increase in the sales and production of counterfeit pharmaceuticals, or the technological capabilities of counterfeiters, could negatively impact our revenues, brand reputation, business and results of operations.

Risks Related to Government Regulation

The regulatory approval process is highly uncertain and we may not obtain regulatory approval for our product candidates.*

The time required to obtain approval by the FDA and comparable foreign regulatory authorities is unpredictable, but typically takes many years following the commencement of preclinical studies and clinical trials and depends upon numerous factors. 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. For example, while we have received approval of our marketing authorization applications for roxadustat in the European Union, Great Britain, China, Japan, and other countries for the treatment of anemia in CKD for patients who are on dialysis and not on dialysis, we received a CRL for roxadustat in CKD anemia in the U.S. from the FDA. It is possible that roxadustat will not obtain regulatory approval in additional countries or indications. It is possible that our other product candidates we may discover, in-license or acquire and seek to develop in the future, will not obtain regulatory approval in any particular jurisdiction.

Our current and future relationships with customers, physicians, and third-party payors are subject to healthcare fraud and abuse laws, false claims laws, transparency laws, and other regulations. If we are unable to comply with such laws, we could face substantial penalties.

Our current and future relationships with customers, physicians, and third-party payors are subject to health care laws and regulations, which may constrain the business or financial arrangements and relationships through which we research, as well as, sell, market and distribute any products for which we obtain marketing approval. If we obtain approval in the U.S. for any of our product candidates, the regulatory requirements applicable to our operations, in particular our sales and marketing efforts, will increase significantly with respect to our operations and the potential for administrative, civil and criminal enforcement by the federal government and the states and foreign governments will increase with respect to the conduct of our business. The laws that may affect our operations in the U.S. include: the federal Anti-Kickback Statute; federal civil and criminal false claims laws and civil monetary penalty laws; the Health Insurance Portability and Accountability Act, including as amended by Health Information Technology for Economic and Clinical Health Act, and its implementing regulations; the federal physician sunshine requirements under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act; and the Trade Agreement Act. In addition, foreign and state law equivalents of each of the above federal laws that may apply to items or services reimbursed by any third-party payor, including commercial insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; 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 laws governing the privacy and security of health information in certain circumstances.

If our operations are found to be in violation of any of such laws or any other governmental regulations that apply to us, we may be subject to significant penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of our operations, the exclusion from participation in federal and state healthcare programs and imprisonment, any of which could materially adversely affect our ability to operate our business and our financial results.

Even if resolved in our favor, litigation or other legal proceedings relating to healthcare laws and regulations may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. Such actions could have a substantial adverse effect on the price of our common shares and could have a material adverse effect on our operations.

We are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences.*

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share confidential, proprietary, and sensitive information, including personal information, business data, trade secrets, intellectual property, information we collect about trial participants in connection with clinical trials, sensitive third-party data, business plans, transactions, and financial information.

Our data processing activities may subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security.

In the U.S., federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), the Health Insurance Portability and Accountability Act, and other similar laws (e.g., wiretapping laws). For example, the California Consumer Privacy Act of 2018 ("CCPA") applies to personal data of consumers, business representatives, and employees, and requires businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights. The CCPA provides for civil penalties of up to $7,500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. In addition, the California Privacy Rights Act of 2020 expands the CCPA's requirements, including by adding a new right for individuals to correct their personal data and establishing a new regulatory agency to implement and enforce the law.

Outside the U.S., an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union's General Data Protection Regulation ("GDPR"), the United Kingdom ("UK's) GDPR, Brazil's General Data Protection Law (Lei Geral de Proteção de Dados Pessoais) (Law No. 13,709/2018), and China's Personal Information Protection Law impose strict requirements for processing personal data, including health-related information. For example, under the European Union GDPR, companies may face fines of up to 20 million Euros or 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data. We also target customers in Asia and have operations in China and may be subject to new and emerging data privacy regimes in Asia, including China's Personal Information Protection Law, Japan's Act on the Protection of Personal Information, and Singapore's Personal Data Protection Act.

In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the U.S. or other countries due to data localization requirements or limitations on cross-border data flows. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area ("EEA") and the United Kingdom ("UK") have restricted the transfer of personal data to the U.S. and other countries whose data privacy and security laws they believe are inadequate. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the U.S. in compliance with law, such as the EEA and UK's standard contractual clauses, these mechanisms are subject to legal challenges. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the U.S., are subject to increased scrutiny from regulators, individual litigants, and activities groups.

Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf.

If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims); additional reporting requirements and/or oversight; bans on processing personal data; and orders to destroy or not use personal data. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

We are subject to laws and regulations governing corruption, which require us to maintain costly compliance programs.

We must comply with a wide range of laws and regulations to prevent corruption, bribery, and other unethical business practices, including the U.S. Foreign Corrupt Practices Act ("FCPA"), anti-bribery and anti-corruption laws in other countries, particularly China. The implementation and maintenance of compliance programs is costly and such programs may be difficult to enforce, particularly where reliance on third parties is required.

Compliance with these anti-bribery laws is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the anti-bribery laws present particular challenges in the pharmaceutical industry because in many countries including China, hospitals are state-owned or operated by the government, and doctors and other hospital employees are considered foreign government officials. Furthermore, in certain countries (China in particular), hospitals and clinics are permitted to sell pharmaceuticals to their patients and are primary or significant distributors of pharmaceuticals. Certain payments to hospitals in connection with clinical studies, procurement of pharmaceuticals and other work have been deemed to be improper payments to government officials that have led to vigorous anti-bribery law enforcement actions and heavy fines in multiple jurisdictions, particularly in the U.S. and China.

It is not always possible to identify and deter violations, 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 be in compliance with such laws or regulations.

In the pharmaceutical industry, corrupt practices include, among others, acceptance of kickbacks, bribes or other illegal gains or benefits by the hospitals and medical practitioners from pharmaceutical manufacturers, distributors or their third-party agents in connection with the prescription of certain pharmaceuticals. If our employees, partners, affiliates, subcontractors, distributors or third-party marketing firms violate these laws or otherwise engage in illegal practices with respect to their sales or marketing of our products or other activities involving our products, we could be required to pay damages or heavy fines by multiple jurisdictions where we operate, which could materially and adversely affect our financial condition and results of operations. The Chinese government has also sponsored anti-corruption campaigns from time to time, which could have a chilling effect on any future marketing efforts by us to new hospital customers. There have been recent occurrences in which certain hospitals have denied access to sales representatives from pharmaceutical companies because the hospitals wanted to avoid the perception of corruption. If this attitude becomes widespread among our potential customers, our ability to promote our products to hospitals may be adversely affected.

Considering our current presence and potential expansion in international jurisdictions, the creation, implementation, and maintenance of anti-corruption compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required. Violation of the FCPA and other anti-corruption laws can result in significant administrative and criminal penalties for us and our employees, including substantial fines, suspension or debarment from government contracting, prison sentences, or even the death penalty in extremely serious cases in certain countries. The U.S. Securities and Exchange Commission (“SEC”) also may suspend or bar us from trading securities on U.S. exchanges for violation of the FCPA’s accounting provisions. Even if we are not ultimately punished by government authorities, the costs of investigation and review, distraction of our personnel, legal defense costs, and harm to our reputation could be substantial and could limit our profitability or our ability to develop or commercialize our product candidates. In addition, if any of our competitors are not subject to the FCPA, they may engage in practices that will lead to their receipt of preferential treatment from foreign hospitals and enable them to secure business from foreign hospitals in ways that are unavailable to us.

If we fail to maintain an effective system of internal control, it may result in material misstatements in our financial statements.*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on the effectiveness of our system of internal control. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. As a public company, we are required to comply with the Sarbanes-Oxley Act and other rules that govern public companies.

Efforts required to remediate an ineffective system of control over financial reporting may place a significant burden on management and add increased pressure on our financial resources and processes. Moreover, we implemented an enterprise resource planning (“ERP”) system in the first quarter of 2023, which replaced our existing operating and financial systems, to improve the efficiency of certain financial and transactional processes. However, there is an increased risk that changing controls may be ineffective during the implementation and this ERP system may place additional burden on employees to learn and adapt our processes to effectively operate under the ERP system. If the ERP system does not operate as intended, the effectiveness of our internal control over financial reporting could be negatively impacted. If we experience material weaknesses or otherwise fail to maintain an effective system of internal control over financial reporting, the accuracy and timing of our financial reporting and subsequently our liquidity and our access to capital markets may be adversely affected, we may be unable to maintain or regain compliance with applicable securities laws and the Nasdaq Stock Market LLC listing requirements, we may be subject to regulatory investigations and penalties, investors may lose confidence in our financial reporting, and our stock price may decline.

The impact of U.S. healthcare reform may adversely affect our business model.

In the U.S. and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could affect our operations. In particular, the commercial potential for our approved products could be affected by changes in healthcare spending and policy in the U.S. and abroad. We operate in a highly regulated industry and new laws, regulations or judicial decisions, or new interpretations of existing laws, regulations, or decisions, related to healthcare availability, the method of delivery or payment for healthcare products and services could negatively impact our business, operations and financial condition.

Further, in the U.S. there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several presidential executive orders, Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under government payor programs, and review the relationship between pricing and manufacturer patient programs. For example, in July 2021, the Biden administration released an executive order that included multiple provisions aimed at prescription drugs. In response to Biden's executive order, on September 9, 2021, the U.S. Department of Health and Human Services ("HHS") released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform. The plan sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions the HHS can take to advance these principles. In addition, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 ("IRA") into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in Affordable Care Act marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and creating a new manufacturer discount program. Further, the IRA (1) directs the HHS to negotiate the price of certain single-source drugs or biologics covered under Medicare, and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions will take effect progressively starting in fiscal year 2023, although the Medicare drug price negotiation program is currently subject to legal challenges. The HHS has and will continue to issue and update guidance as these programs are implemented. It is currently unclear how the IRA of 2022 will be implemented but is likely to have a significant impact on the pharmaceutical industry. Further, the Biden administration released an additional executive order on October 14, 2022, directing the HHS to report on how the Center for Medicare and Medicaid Innovation can be further leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries. It is unclear whether this executive order or similar policy initiatives will be implemented in the future. At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

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 products if approved or additional pricing pressures.

Roxadustat is considered a Class 2 substance on the 2019 World Anti-Doping Agency Prohibited List that could limit sales and increase security and distribution costs for our partners and us.

Roxadustat is considered a Class 2 substance on the World Anti-Doping Agency Prohibited List. There are enhanced security and distribution procedures we and our collaboration partners and third-party contractors will have to take to limit the risk of loss of product in the supply chain. As a result, our distribution, manufacturing and sales costs for roxadustat, as well as for our partners, will be increased which will reduce profitability. In addition, there is a risk of reduced sales due to patient access to this drug.

Our employees may engage in misconduct or improper activities, which could result in significant liability or harm our reputation.

We are exposed to the risk of employee fraud or other misconduct, including intentional failure to:

- comply with FDA regulations or similar regulations of comparable foreign regulatory authorities;
- provide accurate information to the FDA or comparable foreign regulatory authorities;
- comply with manufacturing standards we have established;
- comply with data privacy and security laws protecting personal data;
- comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities;
- comply with the FCPA and other anti-bribery laws;
- report financial information or data accurately; or
- disclose unauthorized activities to us.

Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions, delays in clinical trials, or serious harm to our reputation. We have adopted a code of conduct for our directors, officers and employees, but it is not always possible to identify and deter employee misconduct. The precautions we take to detect and prevent this activity may not be effective in protecting us from the negative impacts of governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. An unfavorable outcome or settlement in connection with a governmental investigation or other action or lawsuit may result in a material adverse impact on our business, results of operations, financial condition, prospects, and stock price. Regardless of the outcome, litigation and governmental investigations can be costly, time-consuming, and disruptive to our business, results of operations, financial condition, reputation, and prospects.

If we fail to comply with environmental, health or safety laws and regulations, we could incur fines, penalties or other costs.

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

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

Risks Related to Our International Operations

We have established operations in China and are seeking approval to commercialize our product candidates outside of the U.S., and a number of risks associated with international operations could materially and adversely affect our business.

A number of risks related to our international operations, many of which may be beyond our control, include: different regulatory requirements in different countries, including for drug approvals, manufacturing, and distribution; potential liability resulting from development work conducted by foreign distributors; economic weakness, including inflation, or foreign currency fluctuations, which could result in increased operating costs and expenses and reduced revenues, and other obligations incident to doing business in another country; workforce uncertainty in countries where labor unrest is more common than in the U.S.; compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; political instability in particular foreign economies and markets; and business interruptions resulting from geopolitical actions specific to an international region, including war and terrorism, natural disasters, or pandemics.

The pharmaceutical industry in China is highly regulated and such regulations are subject to change.

The pharmaceutical industry in China is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new drugs. In recent years, many aspects of pharmaceutical industry regulation have undergone significant reform, and reform may continue. For example, the Chinese government implemented regulations that impact distribution of pharmaceutical products in China, where at most two invoices may be issued throughout the distribution chain, a change that required us to change our distribution paradigm. Any regulatory changes or amendments may result in increased compliance costs to our business or cause delays in or prevent the successful development or commercialization of our product candidates in China. Any failure by us or our partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in China.

The China-operations portion of our audit is conducted by PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm headquartered in China.*

The majority of audit work incurred for the audit report included in the 2022 Form 10-K was performed by the U.S.-based independent registered public accounting firm we have retained, PricewaterhouseCoopers LLP, which is headquartered in the U.S. and was not identified in the report issued by the PCAOB on December 16, 2021.

However, we estimate that between 30% and 40% of the total audit hours for our December 31, 2022 audit were provided by PricewaterhouseCoopers Zhong Tian LLP.

On December 18, 2020, the Holding Foreign Companies Accountable Act (the "HFCAA") was signed into law. The HFCAA requires that the SEC identify issuers that retain an auditor that has a branch or office that is located in a foreign jurisdiction and that the PCAOB determines it is unable to inspect or investigate completely because of a position taken by an authority in that foreign jurisdiction. Among other things, the HFCAA requires the SEC to prohibit the securities of any issuer from being traded on any of the U.S. national securities exchanges, such as The Nasdaq Global Select Market, or on the U.S. "over-the-counter" markets, if the auditor of the issuer's financial statements is not subject to PCAOB inspections for three consecutive "non-inspection" years after the law became effective. On December 29, 2022, the Accelerating Holding Foreign Companies Accountable Act (the "AHFCAA") signed into law as part of a package of bills reduced the number of consecutive non-inspection years required for triggering the listing and trading prohibitions under the HFCA Act from three years to two years.

On December 2, 2021, the SEC adopted final amendments to its rules implementing the HFCAA and established procedures to identify issuers and prohibit the trading of the securities of certain registrants as required by the HFCAA. This rule stated that only the principal accountant, as defined by Rule 2-05 of Regulation S-X and PCAOB AS 1205, is "deemed 'retained' for purposes of Section 104(i) of the Sarbanes-Oxley Act and the Commission's determination of whether the registrant should be a Commission Identified Issuer." The principal accountant, as defined, that we have retained is PricewaterhouseCoopers LLP. The HFCAA does not apply to registrants that retain a principal accountant that is headquartered in the U.S. and subject to PCAOB inspection. Accordingly, the HFCAA does not currently apply to us.

Although the PCAOB issued a report on December 16, 2021 on its determination that it was unable to inspect or investigate completely PCAOB-registered accounting firms headquartered in China and in Hong Kong, on December 15, 2022, it announced that it was able to conduct inspections and investigations of such accounting firms in 2022 and vacated its previous 2021 determinations accordingly. While vacating those determinations, however, the PCAOB noted that, should it encounter any impediment to conducting an inspection or investigation of auditors in mainland China or Hong Kong as a result of a position taken by any authority there, the PCAOB would act to immediately reconsider the need to issue new determinations consistent with the HFCAA and PCAOB's Rule 6100.

If our operations fundamentally change in a way that requires our independent registered public accounting firm be located in China or Hong Kong in order to comply with the standards of the PCAOB regarding principal auditor then the HFCAA would apply to us, including the potential delisting from The Nasdaq Global Select Market and prohibition from trading in the over-the counter market in the U.S. Such a restriction would negatively impact our ability to raise capital. We view the likelihood to be remote that our operations will fundamentally change so as to require our principal auditor to be located in China or Hong Kong. Additionally, it is possible that in the future Congress could amend the HFCAA or the SEC could modify its regulations to apply the restrictions, including trading prohibitions and delisting, under the HFCAA in situations in which an independent registered public accounting firm in China or Hong Kong performs part of the audit such as in our current situation. There are currently no such proposals.

Inspections of auditors conducted by the PCAOB in territories outside of China have at times identified deficiencies in those auditors' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. In the future, should PCAOB encounter any impediment to continue conducting an inspection of audit work undertaken in China, including by PricewaterhouseCoopers Zhong Tian LLP, it could prevent the PCAOB from evaluating the effectiveness of such audits and such auditors' quality control procedures. As a result, investors could be deprived of the potential benefits of such PCAOB inspections for this portion of our audit, which could cause investors and potential investors in our common stock to lose confidence in the audit procedures conducted by our U.S. auditor's China-based subsidiary, which may negatively impact investor sentiment towards us or our China operations, which in turn could adversely affect the market price of our common stock.

Changes in U.S. and China relations, as well as relations with other countries, and/or regulations may adversely impact our business.

The U.S. government, including the SEC, has made statements and taken certain actions that have led to changes to U.S. and international relations, and will impact companies with connections to the U.S. or China, including imposing several rounds of tariffs affecting certain products manufactured in China, imposing certain sanctions and restrictions in relation to China, and issuing statements indicating enhanced review of companies with significant China-based operations. It is unknown whether and to what extent new legislation, executive orders, tariffs, laws or regulations will be adopted, or the effect that any such actions would have on companies with significant connections to the U.S. or to China, our industry or on us. We conduct contract manufacturing and development activities and have business operations both in the U.S. and China. Any unfavorable government policies on cross-border relations and/or international trade, including increased scrutiny on companies with significant China-based operations, capital controls or tariffs, may affect the competitive position of our drug products, the hiring of scientists and other research and development personnel, the demand for our drug products, the import or export of products and product components, our ability to raise capital, the market price of our common stock, or prevent us from commercializing and selling our drug products in certain countries.

While we do not operate in an industry that is currently subject to foreign ownership limitations in China, China could decide to limit foreign ownership in our industry, in which case there could be a risk that we would be unable to do business in China as we are currently structured. In addition, our periodic reports and other filings with the SEC may be subject to enhanced review by the SEC and this additional scrutiny could affect our ability to effectively raise capital in the U.S.

If any new legislation, executive orders, tariffs, laws and/or regulations are implemented, if existing trade agreements are renegotiated or if the U.S. or Chinese governments take retaliatory actions due to the recent U.S.-China tension, such changes could have an adverse effect on our business, financial condition and results of operations, our ability to raise capital and the market price of our common stock.

We use our own manufacturing facilities in China to produce roxadustat API and drug product for the market in China. There are risks inherent to operating commercial manufacturing facilities, and with these being our single source suppliers, we may not be able to continually meet market demand.

We have two manufacturing facilities in China, with one located in Beijing and the other in Cangzhou, Hebei.

We will be obligated to comply with continuing cGMP requirements and there can be no assurance that we will maintain all of the appropriate licenses required to manufacture our product candidates for clinical and commercial use in China. In addition, our product suppliers and we must continually spend time, money and effort in production, record-keeping and quality assurance and appropriate controls in order to ensure that any products manufactured in our facilities meet applicable specifications and other requirements for product safety, efficacy and quality and there can be no assurance that our efforts will continue to be successful in meeting these requirements.

Manufacturing facilities in China are subject to periodic unannounced inspections by the National Medical Products Administration and other regulatory authorities. We expect to depend on these facilities for our product candidates and business operations in China, and we do not yet have a secondary source supplier for either roxadustat API or drug product in China. Consequently, we also carry single source supplier risk for the Ex-China market. Natural disasters or other unanticipated catastrophic events, including power interruptions, water shortages, storms, fires, pandemics, earthquakes, terrorist attacks, government appropriation of our facilities, and wars, could significantly impair our ability to operate our manufacturing facilities. Further, the climate of geopolitical tensions in China affecting global supply chains may impact our ability to continually meet market demand. Certain equipment, records and other materials located in these facilities would be difficult to replace or would require substantial replacement lead-time that would impact our ability to successfully commercialize our product candidates in China. The occurrence of any such event could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We may experience difficulties in successfully growing and sustaining sales of roxadustat in China.

AstraZeneca and we have a profit-sharing arrangement with respect to roxadustat in China and any difficulties we may experience in growing and sustaining sales will affect our bottom line. Difficulties may be related to competition and our ability to maintain reasonable pricing and reimbursement, obtain and maintain hospital listing, or other difficulties related to distribution, marketing, and sales efforts in China. Our current National Reimbursement Drug List reimbursement pricing is effective for a standard two-year period (between January 1, 2022 to December 31, 2023), after which time we will have to negotiate a new price for roxadustat. Sales of roxadustat in China may ultimately be limited due to the complex nature of the healthcare system, low average personal income, pricing controls, still developing infrastructure and potentially rapid competition from other products.

The retail prices of any product candidates that we develop will be subject to pricing control in China and elsewhere.

The price for pharmaceutical products is highly regulated in China, both at the national and provincial level. Price controls may reduce prices to levels significantly below those that would prevail in less regulated markets or limit the volume of products that may be sold, either of which may have a material and adverse effect on potential revenues from sales of roxadustat in China. Moreover, the process and timing for the implementation of price restrictions is unpredictable, which may cause potential revenues from the sales of roxadustat to fluctuate from period to period.

FibroGen (China) Medical Technology Development Co., Ltd. ("FibroGen Beijing") would be subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements.*

We plan to conduct all of our business in China through FibroGen China Anemia Holdings, Ltd., FibroGen Beijing and its branch offices, and our joint venture distribution entity, Beijing Falikang Pharmaceutical Co., Ltd. ("Falikang"). We do not currently rely on revenue from China to fund our operations outside of China. However, we may in the future rely on dividends and royalties paid by FibroGen Beijing for a portion of our cash needs, including the funds necessary to service any debt we may incur and to pay our operating costs and expenses. The payment of dividends by FibroGen Beijing is subject to limitations. Regulations in China currently permit payment of dividends only out of accumulated profits as determined in accordance with applicable accounting standards and regulations in China. FibroGen Beijing is not permitted to distribute any profits until losses from prior fiscal years have been recouped and in any event must maintain certain minimum capital requirements. FibroGen Beijing is also required to set aside at least 10.0% of its after-tax profit based on Chinese accounting standards each year to its statutory reserve fund until the cumulative amount of such reserves reaches 50.0% of its registered capital. Statutory reserves are not distributable as cash dividends. In addition, if FibroGen Beijing incurs debt on its own behalf in the future, the agreements governing such debt may restrict its ability to pay dividends or make other distributions to us. As of June 30, 2023, approximately $79.7 million of our cash and cash equivalents is held in China.

Any capital contributions from us to FibroGen Beijing must be approved by the Ministry of Commerce in China, and failure to obtain such approval may materially and adversely affect the liquidity position of FibroGen Beijing.

The Ministry of Commerce in China or its local counterpart must approve the amount and use of any capital contributions from us to FibroGen Beijing, and there can be no assurance that we will be able to complete the necessary government registrations and obtain the necessary government approvals on a timely basis, or at all. If we fail to do so, we may not be able to contribute additional capital or find suitable financing alternatives within China to fund our Chinese operations, and the liquidity and financial position of FibroGen Beijing may be materially and adversely affected.

We may be subject to currency exchange rate fluctuations and currency exchange restrictions with respect to our operations in China as well as our partner's operations in Japan and Europe, which could adversely affect our financial performance.

Most of our and our partner's product sales will occur in local currency and our operating results will be subject to volatility from currency exchange rate fluctuations. To date, we have not hedged against the risks associated with fluctuations in exchange rates and, therefore, exchange rate fluctuations could have an adverse impact on our future operating results. Changes in the value of the Renminbi, Euro or Yen against the U.S. dollar and other currencies are affected by, among other things, changes in political and economic conditions. Any significant currency exchange rate fluctuations may have a material adverse effect on our business and financial condition.

In addition, the Chinese government imposes controls on the convertibility of the Renminbi into foreign currencies and the remittance of foreign currency out of China for certain transactions. Shortages in the availability of foreign currency may restrict the ability of FibroGen Beijing to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency-denominated obligations. Under existing Chinese foreign exchange regulations, payments of current account items, including profit distributions, interest payments and balance of trade, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, approval from the State Administration of Foreign Exchange or its local branch is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The Chinese government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our operational requirements, our liquidity and financial position may be materially and adversely affected.

Because FibroGen Beijing's funds are held in banks that do not provide insurance, the failure of any bank in which FibroGen Beijing deposits its funds could adversely affect our business.

Banks and other financial institutions in China do not provide insurance for funds held on deposit. As a result, in the event of a bank failure, FibroGen Beijing may not have access to funds on deposit. Depending upon the amount of money FibroGen Beijing maintains in a bank that fails, its inability to have access to cash could materially impair its operations.

We may be subject to tax inefficiencies associated with our offshore corporate structure.

The tax regulations of the U.S. and other jurisdictions in which we operate are extremely complex and subject to change. New laws, new interpretations of existing laws, such as the Base Erosion Profit Shifting project initiated by the Organization for Economic Co-operation and Development, and any legislation proposed by the relevant taxing authorities, or limitations on our ability to structure our operations and intercompany transactions may lead to inefficient tax treatment of our revenue, profits, royalties, and distributions, if any are achieved. For example, the Biden administration has proposed to increase the U.S. corporate income tax rate from 21%, increase the U.S. taxation of our international business operations and impose a global minimum tax, although the recently enacted Inflation Reduction Act of 2022 omitted to include any of these proposals but included only a minimum tax on certain large corporations and a tax on certain repurchases of stock on the corporations doing those repurchases. Such proposed changes, as well as regulations and legal decisions interpreting and applying these changes, may adversely impact our effective tax rate.

In addition, our foreign subsidiaries and we have various intercompany transactions. We may not be able to obtain certain benefits under relevant tax treaties to avoid double taxation on certain transactions among our subsidiaries. If we are not able to avail ourselves to the tax treaties, we could be subject to additional taxes, which could adversely affect our financial condition and results of operations.

On December 22, 2017, the Tax Cuts and Jobs Act (Tax Act) was enacted which instituted various changes to the taxation of multinational corporations. Since inception, various regulations and interpretations have been issued by governing authorities and we continue to examine the impacts to our business, which could potentially have a material adverse effect on our business, results of operations or financial conditions.

Our foreign operations, particularly those in China, are subject to significant risks involving the protection of intellectual property.

We seek to protect the products and technology that we consider important to our business by pursuing patent applications in China and other countries, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. We note that the filing of a patent application does not mean that we will be granted a patent, or that any patent eventually granted will be as broad as requested in the patent application or will be sufficient to protect our technology. There are a number of factors that could cause our patents, if granted, to become invalid or unenforceable or that could cause our patent applications not to be granted, including known or unknown prior art, deficiencies in the patent application, or lack of originality of the technology. Furthermore, the terms of our patents are limited. The patents we hold and the patents that may be granted from our currently pending patent applications have, absent any patent term adjustment or extension, a twenty-year protection period starting from the date of application.

Intellectual property rights and confidentiality protections in China may not be as effective as those in the U.S. or other countries for many reasons, including lack of procedural rules for discovery and evidence, low damage awards, and lack of judicial independence. Implementation and enforcement of China intellectual property laws have historically been deficient and ineffective and may be hampered by corruption and local protectionism. Policing unauthorized use of proprietary technology is difficult and expensive, and we may need to resort to litigation to enforce or defend patents issued to us or to determine the enforceability and validity of our proprietary rights or those of others. The experience and capabilities of China courts in handling intellectual property litigation varies and outcomes are unpredictable. An adverse determination in any such litigation could materially impair our intellectual property rights and may harm our business.

Uncertainties with respect to the China legal system and regulations could have a material adverse effect on us.

The legal system of China is a civil law system primarily based on written statutes. Our financial condition and results of operations may be adversely affected by government control, perceived government interference and/or changes in tax, cyber and data security, capital investments, cross-border transactions and other regulations that are currently or may in the future be applicable to us. In 2022, Chinese regulators announced regulatory actions aimed at providing China's government with greater oversight over certain sectors of China's economy, including the for-profit education sector and technology platforms that have a quantitatively significant number of users located in China. Although the biotech industry is already highly regulated in China and while there has been no indication to date that such actions or oversight would apply to companies that are similarly situated as us and that are pursuing similar portfolios of drug products and therapies as us, China's government may in the future take regulatory actions that may materially adversely affect the business environment and financial markets in China as they relate to us, our ability to operate our business, our liquidity and our access to capital.

Unlike in a common law system, prior court decisions may be cited for reference but are not binding. Because the China legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to us. Moreover, decision makers in the China judicial system have significant discretion in interpreting and implementing statutory and contractual terms, which may render it difficult for FibroGen Beijing to enforce the contracts it has entered into with our business partners, customers and suppliers. Different government departments may have different interpretations of certain laws and regulations, and licenses and permits issued or granted by one government authority may be revoked by a higher government authority at a later time. Furthermore, new laws or regulations may be passed, in some cases with little advance notice, that affect the way we or our collaboration partner do business in China (including the manufacture, sale, or distribution of roxadustat in China). Our business may be affected if we rely on laws and regulations that are subsequently adopted or interpreted in a manner different from our understanding of these laws and regulations. Navigating the uncertainty and change in the China legal and regulatory systems will require the devotion of significant resources and time, and there can be no assurance that our contractual and other rights will ultimately be maintained or enforced.

Changes in China's economic, governmental, or social conditions could have a material adverse effect on our business.

Chinese society and the Chinese economy continue to undergo significant change. Changes in the regulatory structure, regulations, and economic policies of the Chinese government could have a material adverse effect on the overall economic growth of China, which could adversely affect our ability to conduct business in China. The Chinese government continues to adjust economic policies to promote economic growth. Some of these measures benefit the overall Chinese economy, but may also have a negative effect on us. For example, our financial condition and results of operations in China may be adversely affected by government control over capital investments or changes in tax regulations. Recently, Chinese regulators announced regulatory actions aimed at providing China's government with greater oversight over certain sectors of China's economy, including the for-profit education sector and technology platforms that have a quantitatively significant number of users located in China. Although the biotech industry is already highly regulated in China and while there has been no indication to date that such actions or oversight would apply to companies that are similarly situated as us and that are pursuing similar portfolios of drug products and therapies as us, China's government may in the future take regulatory actions that may materially adversely affect the business environment and financial markets in China as they relate to us. As the Chinese pharmaceutical industry grows and evolves, the Chinese government may also implement measures to change the regulatory structure and structure of foreign investment in this industry. We are unable to predict the frequency and scope of such policy changes and structural changes, any of which could materially and adversely affect FibroGen Beijing's development and commercialization timelines, liquidity, access to capital, and its ability to conduct business in China. Any failure on our part to comply with changing government regulations and policies could result in the loss of our ability to develop and commercialize our product candidates in China. In addition, the changing government regulations and policies could result in delays and cost increases to our development, manufacturing, approval, and commercialization timelines in China.

We may be subject to additional Chinese requirements, approvals or permissions in the future.

We are incorporated in the state of Delaware. To operate our general business activities currently conducted in China, each of our Chinese subsidiaries (and our joint venture with AstraZeneca, Falikang) is required to and does obtain a business license from the local counterpart of the State Administration for Market Regulation. Such business licenses list the business activities we are authorized to carry out and we would be noncompliant if we act outside of the scope of business activities set forth under the relevant business license.

Due to China's regulatory framework in general and for the pharmaceutical industry specifically, we are required to apply for and maintain many approvals or permits specific to many of our business activities, including but not limited to manufacturing, distribution, environment protection, workplace safety, cybersecurity, from both national and local government agencies. For example, FibroGen Beijing is required to maintain a Drug Product Production Permit that allows it to manufacture API and roxadustat capsules. Falikang, our joint venture with AstraZeneca, is required to maintain a Drug Product Distribution Permit in order to be able to distribute our drug product roxadustat in China. For certain of our clinical trials conducted in China, we need to obtain, through the clinical sites, permits from the Human Genetic Resources Administration of China to collect samples that include human genetic resources, such as blood samples.

We may also be required to obtain certain approvals from Chinese authorities before transferring certain scientific data abroad or to foreign parties or entities established or actually controlled by them.

None of our subsidiaries or our joint venture in China are required to obtain approval or prior permission from the China Securities Regulatory Commission, Cyberspace Administration of China, or any other Chinese regulatory authority under the Chinese laws and regulations currently in effect to issue securities to our investors. However, the approvals and permits we do have to comply with are numerous and there are uncertainties with respect to the Chinese legal system and changes in laws, regulations and policies, including how those laws and regulations will be interpreted or implemented. For further information, see the risk factor titled "*Uncertainties with respect to the China legal system and regulations could have a material adverse effect on us.*" There can be no assurance that we will not be subject to new or changing requirements, approvals or permissions in the future in order to operate in China.

If we are unable to obtain the necessary approvals or permissions in order to operate our business in China, if we inadvertently conclude that such approvals or permissions are not required, or if we are subject to additional requirements, approvals, or permissions, it could have an adverse effect on our business, financial condition and results of operations, our ability to raise capital and the market price of our common stock.

If the Chinese government determines that our corporate structure does not comply with Chinese regulations, or if Chinese regulations change or are interpreted differently in the future, the value of our common stock may decline.

In July 2021, the Chinese government provided new guidance on China-based companies raising capital outside of China, including through arrangements called variable interest entities. We do not employ a variable interest entity structure for purposes of replicating foreign investment in Chinese-based companies where Chinese law prohibits direct foreign investment. We do not operate in an industry that is currently subject to foreign ownership limitations in China. However, there are uncertainties with respect to the Chinese legal system and there may be changes in laws, regulations and policies, including how those laws and regulations will be interpreted or implemented. For further information, see the risk factor titled "*Uncertainties with respect to the China legal system and regulations could have a material adverse effect on us*." If in the future the Chinese government determines that our corporate structure does not comply with Chinese regulations, or if Chinese laws or regulations change or are interpreted differently from our understanding of these laws and regulations, the value of our common stock may decline.

Our operations in China subject us to various Chinese labor and social insurance laws, and our failure to comply with such laws may materially and adversely affect our business, financial condition and results of operations.

We are subject to China Labor Contract Law, which provides strong protections for employees and imposes many obligations on employers. The Labor Contract Law places certain restrictions on the circumstances under which employers may terminate labor contracts and require economic compensation to employees upon termination of employment, among other things. In addition, companies operating in China are generally required to contribute to labor union funds and the mandatory social insurance and housing funds. Any failure by us to comply with Chinese labor and social insurance laws may subject us to late fees, fines and penalties, or cause the suspension or termination of our ability to conduct business in China, any of which could have a material and adverse effect on business, results of operations and prospects.

Risks Related to the Operation of Our Business

We have incurred significant losses since our inception and anticipate that we will continue to incur losses for the foreseeable future and may never achieve or sustain profitability. We may require additional financing in order to fund our operations, which may be dilutive to our shareholders, restrict our operations or require us to relinquish rights to our intellectual property or product candidates. If we are unable to raise capital when needed or on acceptable terms, we may be forced to delay, reduce or eliminate our research and development programs and/or our commercialization efforts.*

We are a biopharmaceutical company with two lead product candidates in clinical development, roxadustat for CIA in China, and pamrevlumab for pancreatic cancer and DMD. Most of our revenue generated to date has been based on our collaboration agreements and we have limited commercial drug product sales to date. We continue to incur significant research and development and other expenses related to our ongoing operations. Our net loss for the years ended December 31, 2022, 2021 and 2020 were $293.7 million, $290.0 million and $189.3 million, respectively. As of June 30, 2023, we had an accumulated deficit of $1.7 billion. As of June 30, 2023, we had capital resources consisting of cash, cash equivalents and short-term investments of $335.7 million. In addition, as of June 30, 2023, we had $25.6 million of accounts receivable in our current assets. Despite contractual development and cost coverage commitments from our collaboration partners, AstraZeneca and Astellas, and the potential to receive milestone and other payments from these partners, and despite commercialization efforts for roxadustat for the treatment of anemia caused by CKD, we anticipate we will continue to incur losses on an annual basis for the foreseeable future. If we do not successfully develop and continue to obtain regulatory approval for our existing or any future product candidates and effectively manufacture, market and sell the product candidates that are approved, we may never achieve or sustain profitability on a quarterly or annual basis. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders' equity (deficit) and working capital. Our failure to become and remain profitable would depress the market price of our common stock and could impair our ability to raise capital, expand our business, diversify our product offerings or continue our operations.

We believe that we will continue to expend substantial resources for the foreseeable future as we continue to grow our operations in China, continue our clinical development efforts on pamrevlumab, continue to seek regulatory approval, establish commercialization capabilities of our product candidates, and pursue additional indications. These expenditures will include costs associated with research and development, conducting preclinical trials and clinical trials, obtaining regulatory approvals in various jurisdictions, and manufacturing and supplying products and product candidates for our partners and ourselves. The outcome of any clinical trial and/or regulatory approval process is highly uncertain and we are unable to fully estimate the actual costs necessary to successfully complete the development and regulatory approval process for our compounds in development and any future product candidates. We believe that our existing cash and cash equivalents, short-term and long-term investments and accounts receivable, cash flows from commercial sales and sales of drug product, and expected third-party collaboration revenues will allow us to fund our operating plans through at least 12 months from the date of issuance of these consolidated financial statements. Our operating plans or third-party collaborations may change as a result of many factors, including the success of our development and commercialization efforts, operations costs (including manufacturing and regulatory), competition, and other factors that may not currently be known to us, and we therefore may need to seek additional funds sooner than planned, through offerings of public or private securities, debt financing or other sources, such as revenue interest monetization or other structured financing. Future sales of equity or debt securities may result in dilution to stockholders, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect our business. We may also seek additional capital due to favorable market conditions or strategic considerations even if we currently believe that we have sufficient funds for our current or future operating plans.

Accordingly, we may seek additional funds sooner than planned. We may also seek additional capital due to favorable market conditions or strategic considerations even if we currently believe that we have sufficient funds for our current or future operating plans.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize any of our product candidates. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all or that we will be able to satisfy the performance, financial and other obligations in connection with any such financing. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. We could also be required to seek funds through additional collaborations, partnerships, licensing arrangements with third parties or otherwise at an earlier stage than would be desirable and we may be required to relinquish rights to intellectual property, future revenue streams, research programs, product candidates or to grant licenses on terms that may not be favorable to us, any of which may have a material adverse effect on our business, operating results and prospects.

In addition, the terms of any financing may adversely affect the holdings or the rights of our stockholders. If we raise additional funds by issuing equity securities, dilution to our existing stockholders will result. In addition, as a condition to providing additional funding to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Moreover, any debt financing, if available, may involve restrictive covenants that could limit our flexibility in conducting future business activities and, in the event of insolvency, would be paid before holders of equity securities received any distribution of corporate assets. For example, in 2022 we entered into a Revenue Interest Financing Agreement ("RIFA") with an affiliate of NovaQuest Capital Management ("NovaQuest") and in 2023 we entered into a debt financing agreement with investment funds managed by Morgan Stanley Tactical Value, each of which impose certain performance and financial obligations on our business. Our ability to satisfy and meet any future debt service obligations will depend upon our future performance, which will be subject to financial, business and other factors affecting our operations, many of which are beyond our control.

If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate our research and development efforts or other operations or activities that may be necessary to commercialize our product candidates.

We may be required to recognize an impairment of our long-lived assets, which could adversely affect our financial performance.*

Our long-lived assets group is subject to an impairment assessment at least annually, or when certain triggering events or circumstances indicate that its carrying value may be impaired. Prolonged market declines or other factors negatively impacting the performance of our businesses could adversely affect our evaluation of the recoverability of our long-lived assets. If, as a result of the impairment test, we determine that the fair value of our long-lived asset group is less than its carrying amount, we may incur an impairment charge, which could materially and adversely affect our results of operations or financial position.

Our non-dilutive transactions with Morgan Stanley Tactical Value and NovaQuest could limit cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations, and contain various covenants and other provisions, which, if violated, could result in the acceleration of payments due in connection with such transaction or the foreclosure on security interest.*

On November 4, 2022, we entered into a $50 million RIFA financing with NovaQuest with respect to our revenues from Astellas' sales of roxadustat in Europe, Japan and the other Astellas territories.

As material inducement for NovaQuest to enter into the RIFA, we granted NovaQuest a security interest over our rights, title and interest in and to the revenue interest payments and intellectual property related to roxadustat and the Astellas territories.

In addition, the RIFA includes customary reporting obligations and events of default by us. Upon the occurrence of an event of default, NovaQuest may exercise all remedies available to it at law or in equity in respect of the security interest.

On April 29, 2023, we entered into a financing agreement ("Financing Agreement") for up to $150 million with investment funds managed by Morgan Stanley Tactical Value, as lenders, and Wilmington Trust, National Association, as the administrative agent.

Our Financing Agreement with Morgan Stanley Tactical Value requires us to maintain a minimum balance of $30 million of unrestricted cash and cash equivalents held in accounts in the U.S. and, while any portion of the term loans or any other obligations under the Financing Agreement remain outstanding, we must comply with certain customary affirmative and negative covenants set forth in the Financing Agreement and related loan documents. The Financing Agreement also provides for customary events of default triggers. Upon an event of default, the administrative agent under the Financing Agreement may, and at the direction of the majority lenders shall, accelerate all of our outstanding obligations under the Financing Agreement and related loan documents, terminate all outstanding funding commitments and/or exercise remedies available at law or equity or under contract for secured creditors. The term loans are secured by substantially all of our and our non-Chinese subsidiaries' assets, subject to customary exceptions.

For additional details about these financing transactions, see Note 7, *Senior Secured Term Loan Facilities* and Note 8, *Liability Related to Sale of Future Revenues*, to the condensed consolidated financial statements.

Our obligations under these financing transactions could have significant negative consequences for our shareholders, and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional non-dilutive financing or enter into collaboration or partnership agreements of a certain size;

- •requiring the dedication of a portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- •limiting our flexibility to plan for, or react to, changes in our business; and
- •placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our ability to comply with the above covenants may be affected by events beyond our control, and future breaches of any of the covenants could result in a default under the RIFA, the Financing Agreement, or any future financing agreements. If not waived, future defaults could cause all of the outstanding indebtedness under either financing transaction to become immediately due and payable and NovaQuest or Morgan Stanley Tactical Value could seek to enforce their security interest in assets that secure such indebtedness.

To the extent we incur additional debt, the risks described above could increase. A default in one of such agreements could trigger a default in the other. Any of the above risks would negatively impact our ability to operate our business and obtain additional debt or equity financing on favorable terms.

Most of our recent revenue has been earned from collaboration partners for our product candidates under development.*

If either or both of our Astellas and AstraZeneca collaborations were to be terminated, we could require significant additional capital in order to proceed with development and commercialization of roxadustat or we may require additional partnering in order to help fund our operations. While we continue to co-commercialize roxadustat in China with AstraZeneca, and develop roxadustat in China for CIA, it is probable that our U.S./Rest of World Collaboration Agreement with AstraZeneca will be terminated, which could decrease expected collaboration revenue as we would not be eligible for any remaining development cost sharing or development or commercialization milestones outside of China from AstraZeneca. In addition, if our collaboration partners are unsuccessful in their commercialization efforts (particularly in Europe and China), our revenue will be negatively affected. If adequate funds or partners are not available to us on a timely basis or on favorable terms, we may be required to delay, limit, reduce or terminate development or commercialization efforts.

We may encounter difficulties in expanding our operations, particularly commercialization, successfully.*

For any product candidates that we seek to advance into commercialization, we will need to expand our regulatory, manufacturing, commercialization and administration capabilities or contract with third parties to provide these capabilities for us. This could be a particular challenge as a result of the 2023 restructuring. Our failure or delay in accomplishing any of these steps could prevent us from fully realizing the commercial success of any such product candidate.

Loss of senior management and key personnel could adversely affect our business.*

We are highly dependent on members of our senior management team. Effective July 23, 2023, our Board appointed Thane Wettig as Interim Chief Executive Officer to succeed Enrique Conterno, who resigned from his role as Chief Executive Officer and from the Board. Mr. Conterno will remain with the Company as Special Advisor to the Interim CEO through August 8, 2023, and thereafter, for a short time, as a consultant. Mr. Conterno's resignation was not the result of any disagreement with the Company.

The loss of the services of any of our senior management could significantly impact the development and commercialization of our products and product candidates and our ability to successfully implement our business strategy.

Recruiting and retaining qualified commercial, development, scientific, clinical, and manufacturing personnel are and will continue to be critical to our success. Furthermore, replacing executive officers and key employees may be difficult 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 successfully develop, gain regulatory approval of and commercialize product candidates. We may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the intense competition among numerous biopharmaceutical companies for similar personnel.

There is also significant competition, in particular in the San Francisco Bay Area, for the hiring of experienced and qualified personnel, which increases the importance of retention of our existing personnel.

On July 14, 2023, FibroGen approved a reduction to its U.S. workforce of approximately 32% to lower its operating expenses. There is a risk that we will lose valuable skills, experience, and productivity. Furthermore, employee turnover and other risks described above may be exacerbated by the restructuring as well as recent stock performance.

If we are unable to continue to attract and retain personnel with the quality and experience applicable to our product candidates, our ability to pursue our strategy will be limited and our business and operations would be adversely affected.

We are exposed to the risks associated with litigation, investigations, regulatory proceedings, and other legal matters, any of which could have a material adverse effect on us.

We are currently and may in the future face legal, administrative and regulatory proceedings, claims, demands, investigations and/or other dispute-related matters involving, among other things, our products, product candidates, or other issues relating to our business as well as allegations of violation of U.S. and foreign laws and regulations relating to intellectual property, competition, securities, consumer protection, and the environment.

For example, we and certain of our current and former executive officers have been named as defendants in a consolidated putative class action lawsuit ("Securities Class Action Litigation") and certain of our current and former executive officers and directors have been named as defendants in several derivative lawsuits ("Derivative Litigation"). The complaint filed in the Securities Class Action Litigation alleges violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements about our Phase 3 clinical studies data and prospects for FDA approval. The complaints filed in the Derivative Litigation asserts claims based on some of the same alleged misstatements and omissions as the Securities Class Action Litigation and seeks, among other things, unspecified damages. We intend to vigorously defend the claims made in the Securities Class Action Litigation and Derivative Litigation; however, the outcome of these matters cannot be predicted, and the claims raised in these lawsuits may result in further legal matters or actions against us, including, but not limited to, government enforcement actions or additional private litigation. In the fourth quarter of 2021, FibroGen received a subpoena from the SEC requesting documents related to roxadustat's pooled cardiovascular safety data. We have been fully cooperating with the SEC's investigation.

Our Board of Directors also received litigation demands from our purported shareholders, asking the Board of Directors to investigate and take action against certain current and former officers and directors of ours for alleged wrongdoing based on the same allegations in the pending derivative and securities class action lawsuits. We may in the future receive such additional demands.

We cannot predict whether any particular legal matter will be resolved favorably or ultimately result in charges or material damages, fines or other penalties, government enforcement actions, bars against serving as an officer or director, or civil or criminal proceedings against us or certain members of our senior management. For additional information regarding our pending litigation and SEC investigation, see Note 12, *Commitments and Contingencies*, to the condensed consolidated financial statements.

Legal proceedings in general, and securities and class action litigation and regulatory investigations in particular, regardless of their merits or their ultimate outcomes, are costly, divert management's attention and may materially adversely affect our business, results of operations, financial condition, prospects, and stock price. In addition, such legal matters could negatively impact our reputation among our customers, collaboration partners or our shareholders. Furthermore, publicity surrounding legal proceedings, including regulatory investigations, even if resolved favorably for us, could result in additional legal proceedings or regulatory investigations, as well as damage to our reputation.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may have to limit commercial operations.

We face an inherent risk of product liability as a result of the clinical testing, manufacturing and commercialization of our product candidates. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in a product, negligence, strict liability or breach of warranty. Claims could also be asserted under state consumer protection acts. If we are unable to obtain insurance coverage at levels that are appropriate to maintain our business and operations, or if we are unable to successfully defend ourselves against product liability claims, we may incur substantial liabilities or otherwise cease operations. Product liability claims may result in:

- termination of further development of unapproved product candidates or significantly reduced demand for any approved products;
- material costs and expenses to defend the related litigation;
- a diversion of time and resources across the entire organization, including our executive management;

- •product recalls, product withdrawals or labeling restrictions;
- •termination of our collaboration relationships or disputes with our collaboration partners; and
- •reputational damage negatively impacting our other product candidates in development.

If we fail to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims, we may not be able to continue to develop our product candidates. We maintain product liability insurance in a customary amount for the stage of development of our product candidates. Although we believe that we have sufficient coverage based on the advice of our third-party advisors, there can be no assurance that such levels will be sufficient for our needs. Moreover, our insurance policies have various exclusions, and we may be in a dispute with our carrier as to the extent and nature of our coverage, including whether we are covered under the applicable product liability policy. If we are not able to ensure coverage or are required to pay substantial amounts to settle or otherwise contest the claims for product liability, our business and operations would be negatively affected.

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

Despite implementing security measures, our internal computer systems, and those of our CROs, collaboration partners, and other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, fire, terrorism, war and telecommunication and electrical failures. We upgraded our disaster and data recovery capabilities in 2022, and continue to maintain and upgrade these capabilities. However, to the extent that any disruption or security breach, in particular with our partners' operations, results in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and it could result in a material disruption and delay of our drug development programs. For example, the loss of clinical trial data from completed, ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse consequences.*

In the ordinary course of our business, we and the third parties upon which we rely process confidential, proprietary, and sensitive data, and, as a result, we and the third parties upon which we rely face a variety of evolving threats, including but not limited to ransomware attacks, which could cause security incidents. Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our confidential, proprietary, and sensitive data and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our services.

We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats.

In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of confidential, proprietary, and sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

In addition, our reliance on third-party service providers could introduce new cybersecurity risks and vulnerabilities, including supply-chain attacks, and other threats to our business operations. We rely on third-party service providers and technologies to operate critical business systems to process confidential, proprietary, and sensitive data in a variety of contexts, including, without limitation, CROs, CMOs, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. We also rely on third-party service providers to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our confidential, proprietary, and sensitive data or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our services.

In the third quarter of 2023, we were notified that a service provider of our third-party service provider had a security breach and certain of our pseudo anonymized clinical data was exfiltrated. Our initial incident response assessment was unable to determine a material impact to our Company (including the fact that we have found no personally identifiable information involved, and there is no business continuity risk). However, there is a risk that we discover a material impact in the future.

We may expend significant resources or modify our business activities to try to protect against security incidents. Additionally, certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and confidential, proprietary, and sensitive data.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps to detect and remediate vulnerabilities, but we may not be able to detect and remediate all vulnerabilities because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until after a security incident has occurred. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders, such as governmental authorities, partners, and affected individuals, of security incidents. Such disclosures may involve inconsistent requirements and are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing confidential, proprietary, and sensitive data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; interruptions in our operations (including availability of data); delays in our development or other business plans; financial loss; and other similar harms. Security incidents and attendant consequences may cause customers to stop using our services, deter new customers from using our services, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

Our headquarters are located near known earthquake fault zones.

We and some of the third-party service providers on which we depend for various support functions are vulnerable to damage from catastrophic events, such as power loss, natural disasters, terrorism and similar unforeseen events beyond our control. Our corporate headquarters and other facilities are located in the San Francisco Bay Area, which in the past has experienced severe earthquakes and fires, and has been affected by the COVID-19 pandemic, including economic disruption resulting from the related shelter-in-place and stay-at-home governmental orders.

After a comprehensive earthquake risk analysis conducted by Marsh Risk, we decided not to purchase earthquake or flood insurance. Based upon (among other factors) the Marsh Risk analysis, the design and construction of our building, the expected potential loss, and the costs and deductibles associated with earthquake and flood insurance, we chose to self-insure. However, earthquakes or other natural disasters could severely disrupt our operations, or have a larger cost than expected, and have a material adverse effect on our business, results of operations, financial condition and prospects.

If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, damaged critical infrastructure, or otherwise disrupted operations, all critical systems and services can be accessible from the disaster recovery site, but it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans are in draft and are unlikely to provide adequate protection in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business.

Furthermore, integral parties in our supply chain are operating from single sites, increasing their vulnerability to natural disasters or other sudden, unforeseen and severe adverse events, such as the COVID-19 pandemic. If such an event were to affect our supply chain, it could have a material adverse effect on our business.

Risks Related to Our Common Stock

The market price of our common stock may be highly volatile, and you may not be able to resell your shares at or above your purchase price.*

The market price of our common stock has at times experienced price volatility and may continue to be volatile. For example, during 2023, the closing price of our common stock on The Nasdaq Global Select Market has ranged from $1.84 per share to $25.18 per share. In general, pharmaceutical, biotechnology and other life sciences company stocks have been highly volatile in the current market. The volatility of pharmaceutical, biotechnology and other life sciences company stocks is sometimes unrelated to the operating performance of particular companies and biotechnology and life science companies stocks often respond to trends and perceptions rather than financial performance. In particular, the market price of shares of our common stock could be subject to wide fluctuations in response to the following factors:

- results of clinical trials of our product candidates, including roxadustat and pamrevlumab;
- the timing of the release of results of and regulatory updates regarding our clinical trials;
- the level of expenses related to any of our product candidates or clinical development programs;
- results of clinical trials of our competitors' products;
- safety issues with respect to our product candidates or our competitors' products;
- regulatory actions with respect to our product candidates and any approved products or our competitors' products;
- fluctuations in our financial condition and operating results, which will be significantly affected by the manner in which we recognize revenue from the achievement of milestones under our collaboration agreements;
- adverse developments concerning our collaborations and our manufacturers;
- the termination of a collaboration or the inability to establish additional collaborations;
- the inability to obtain adequate product supply for any approved drug product or inability to do so at acceptable prices;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- changes in legislation or other regulatory developments affecting our product candidates or our industry;

- •fluctuations in the valuation of the biotechnology industry and particular companies perceived by investors to be comparable to us;
- •speculation in the press or investment community;
- •announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- •activities of the government of China, including those related to the pharmaceutical industry as well as industrial policy generally;
- •performance of other U.S. publicly traded companies with significant operations in China;
- •changes in market conditions for biopharmaceutical stocks; and
- •the other factors described in this "*Risk Factors*" section.

As a result of fluctuations caused by these and other factors, comparisons of our operating results across different periods may not be accurate indicators of our future performance. Any fluctuations that we report in the future may differ from the expectations of market analysts and investors, which could cause the price of our common stock to fluctuate significantly. Moreover, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. We are currently subject to such litigation and it has diverted, and could continue to result in diversions of, our management's attention and resources and it could result in significant expense, monetary damages, penalties or injunctive relief against us. For a description of our pending litigation and SEC investigation, see Note 12, *Commitments and Contingencies*, to the condensed consolidated financial statements.

We may engage in acquisitions that could dilute stockholders and harm our business.

We may, in the future, make acquisitions of or investments in companies that we believe have products or capabilities that are a strategic or commercial fit with our present or future product candidates and business or otherwise offer opportunities for us. In connection with these acquisitions or investments, we may:

- •issue stock that would dilute our existing stockholders' percentage of ownership;
- •incur debt and assume liabilities; and
- •incur amortization expenses related to intangible assets or incur large and immediate write-offs.

We may not be able to complete acquisitions on favorable terms, if at all. If we do complete an acquisition, we cannot assure you that it will ultimately strengthen our competitive position or that it will be viewed positively by customers, financial markets or investors. Furthermore, future acquisitions could pose numerous additional risks to our operations, including:

- •problems integrating the purchased business, products or technologies, or employees or other assets of the acquisition target;
- •increases to our expenses;
- •disclosed or undisclosed liabilities of the acquired asset or company;
- •diversion of management's attention from their day-to-day responsibilities;
- •reprioritization of our development programs and even cessation of development and commercialization of our current product candidates;
- •harm to our operating results or financial condition;

- entrance into markets in which we have limited or no prior experience; and
- potential loss of key employees, particularly those of the acquired entity.

We may not be able to complete any acquisitions or effectively integrate the operations, products or personnel gained through any such acquisition.

Provisions in our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, and may prevent attempts by our stockholders to replace or remove our current directors or management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our Board of Directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors. Among other things, these provisions:

- authorize "blank check" preferred stock, which could be issued by our Board of Directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- create a classified Board of Directors whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our Board of Directors pursuant to a resolution adopted by a majority of the total number of directors;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our Board of Directors;
- provide that our directors may be removed prior to the end of their term only for cause;
- provide that vacancies on our Board of Directors may be filled only by a majority of directors then in office, even though less than a quorum;
- require a supermajority vote of the holders of our common stock or the majority vote of our Board of Directors to amend our bylaws; and
- require a supermajority vote of the holders of our common stock to amend the classification of our Board of Directors into three classes and to amend certain other provisions of our certificate of incorporation.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management.

Moreover, because we are incorporated in Delaware, we are governed by certain anti-takeover provisions under Delaware law which may discourage, delay or prevent someone from acquiring us or merging with us whether or not it is desired by or beneficial to our stockholders. We are subject to the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Any provision of our amended and restated certificate of incorporation, our amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Changes in our tax provision or exposure to additional tax liabilities could adversely affect our earnings and financial condition.

As a multinational corporation, we are subject to income taxes in the U.S. and various foreign jurisdictions. Significant judgment is required in determining our global provision for income taxes and other tax liabilities. In the ordinary course of a global business, there are intercompany transactions and calculations where the ultimate tax determination is uncertain. Our income tax returns are subject to audits by tax authorities. Although we regularly assess the likelihood of adverse outcomes resulting from these examinations to determine our tax estimates, a final determination of tax audits or tax disputes could have an adverse effect on our results of operations and financial condition.

We are also subject to non-income taxes, such as payroll, withholding, excise, customs and duties, sales, use, value-added, net worth, property, gross receipts, and goods and services taxes in the U.S., state and local, and various foreign jurisdictions. We are subject to audit and assessments by tax authorities with respect to these non-income taxes and the determination of these non-income taxes is subject to varying interpretations arising from the complex nature of tax laws and regulations. Therefore, we may have exposure to additional non-income tax liabilities, which could have an adverse effect on our results of operations and financial condition.

The tax regulations in the U.S. and other jurisdictions in which we operate are extremely complex and subject to change. Changes in tax regulations could have an adverse effect on our results of operations and financial condition.

Tariffs imposed by the U.S. and those imposed in response by other countries could have a material adverse effect on our business.

Changes in U.S. and foreign governments' trade policies have resulted in, and may continue to result in, tariffs on imports into and exports from the U.S. Throughout 2018 and 2019, the U.S. imposed tariffs on imports from several countries, including China. In response, China has proposed and implemented their own tariffs on certain products, which may impact our supply chain and our costs of doing business. If we are impacted by the changing trade relations between the U.S. and China, our business and results of operations may be negatively impacted. Continued diminished trade relations between the U.S. and other countries, including potential reductions in trade with China and others, as well as the continued escalation of tariffs, could have a material adverse effect on our financial performance and results of operations.

Our certificate of incorporation designates courts located in Delaware as the sole forum for certain proceedings, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated by-laws, or (4) any other action asserting a claim against us that is governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. While the Delaware courts determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than that designated in the exclusive forum provisions. For example, one of the Derivative Litigation was brought in federal court in California, despite the exclusive forum provision. We are currently moving to dismiss that lawsuit on the basis of improper forum and we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation in any additional litigations that are brought in a venue other than that designated in the exclusive forum provision. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. If a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

We do not plan to pay dividends. Capital appreciation will be your sole possible source of gain, which may never occur.

You should not rely on an investment in our common stock to provide dividend income. We do not anticipate that we will pay any cash dividends to holders of our common stock in the foreseeable future and investors seeking cash dividends should not purchase our common stock. We plan to retain any earnings to invest in our product candidates and maintain and expand our operations. Therefore, capital appreciation, or an increase in your stock price, which may never occur, may be the only way to realize any return on your investment.

Our business or our share price could be negatively affected as a result of shareholder proposals or actions.

Public companies are facing increasing attention from stakeholders relating to environmental, social and governance matters, including corporate governance, executive compensation, environmental stewardship, social responsibility, and diversity and inclusion. Key stakeholders may advocate for enhanced environmental, social and governance disclosures or policies or may request that we make corporate governance changes or engage in certain corporate actions that we believe are not currently in the best interest of FibroGen or our stockholders. Responding to challenges from stockholders, such as proxy contests or media campaigns, could be costly and time consuming and could have an adverse effect on our reputation, which could have an adverse effect on our business and operational results, and could cause the market price of our common stock to decline or experience volatility.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporation By Reference			
		Form	SEC File No.	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of FibroGen, Inc.	8-K	001-36740	3.1	11/21/2014
3.2	Amended and Restated Bylaws of FibroGen, Inc.	S-1/A	333-199069	3.4	10/23/2014
4.1	Form of Common Stock Certificate.	8-K	001-36740	4.1	11/21/2014
4.2	Common Stock Purchase Agreement by and between FibroGen, Inc. and AstraZeneca AB, dated as of October 20, 2014.	S-1/A	333-199069	4.17	10/24/2014
10.1†	Amendment No. 1 to Commercial Supply Agreement (Roxadustat) by and between FibroGen, Inc. and its Affiliates and Catalent Pharma Solutions, LLC dated as of January 1, 2023.	10-Q	001-36740	10.2	05/08/2023
10.2+	Offer Letter, dated July 23, 2023, between FibroGen, Inc. and Thane Wettig.	8-K	001-36740	10.1	07/25/2023
10.3+	Consulting Agreement, dated July 23, 2023, between FibroGen, Inc. and Enrique Conterno.	8-K	001-36740	10.2	07/25/2023
10.4*†	Amended and Restated Exclusive License Agreement by and among FibroGen, Inc., FibroGen (China) Medical Technology Development Co., Ltd., and Eluminex Biosciences Suzhou) Limited, dated April 19, 2023.	—	—	—	—

10.5*†	Financing Agreement by and among FibroGen, Inc., certain of its subsidiaries, NHTV Fairview Holding LLC, NHTV II Fairview Holding LLC, MSTV Fund II Employees Fairview Holding LLC, and Wilmington Trust, National Association, dated as of April 29, 2023.	—	—	—	—
10.6*†	Evaluation Agreement by and between FibroGen, Inc. and Fortis Therapeutics, Inc., dated May 5, 2023.	—	—	—	—
10.7*†	Option Agreement and Plan of Merger by and among FibroGen, Inc., Fortis Therapeutics, Inc., and Shareholder Representative Services LLC, dated as of May 5, 2023.	—	—	—	—
31.1*	Certification of Chief Executive Officer, as required by Rule 13a-14(a) or Rule 15d-14(a).	—	—	—	—
31.2*	Certification of Chief Financial Officer, as required by Rule 13a-14(a) or Rule 15d-14(a).	—	—	—	—
32.1*	Certification of Principal Executive Officer and Principal Financial Officer, as required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350)(1)).	—	—	—	—
101.INS	Inline XBRL Instance Document: the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	—	—	—	—
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	—
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	—
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	—
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	—	—	—	—
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	—
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.)	—	—	—	—

† Portions of this exhibit (indicated by asterisks) have been omitted as the Company has determined that (i) the omitted information is not material and (ii) the omitted information would likely cause competitive harm if publicly disclosed or is the type of information the Company treats as confidential.

+ Indicates a management contract or compensatory plan.

* Filed herewith

SIGNATURES

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

FibroGen, Inc.

Date: August 7, 2023

By: /s/ Thane Wettig
Thane Wettig
Interim Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2023

By: /s/ Juan Graham
Juan Graham
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Execution Version

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Exhibit 10.4

AMENDED AND RESTATED

EXCLUSIVE LICENSE AGREEMENT

by and among

FIBROGEN, INC. and its AFFILIATES

and

ELUMINEX BIOSCIENCES (SUZHOU) LIMITED

AMENDED AND RESTATED

EXCLUSIVE LICENSE AGREEMENT

This **SECOND AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT** (this "**Agreement**") is entered into April 19, 2023 (the "**Second Restated License Execution Date**") and effective as of the Effective Date (as defined in Section 1.35), by and among: **FIBROGEN**, **INC**., a company organized under the laws of Delaware with a business address at 409 Illinois Street, San Francisco, CA 94158, United States and its Affiliates, including **FIBROGEN (CHINA) MEDICAL TECHNOLOGY DEVELOPMENT CO., LTD.** □□□□□□□□□□□□□□□□□□□, a wholly foreign owned limited liability company having its principal place of business at 101-601, Unit 2, Building 7, No. 88, 6th Ke Chuang Street, Beijing Economic Technological Development Area, Beijing, China ("**FibroGen China**") (FIBROGEN, INC. and its Affiliates along with FibroGen China are collectively referred to herein as "**FIBROGEN**"), and **ELUMINEX BIOSCIENCES (SUZHOU) LIMITED** □□□□□□□□□□□□□□□□□□□, a company organized under the laws of People's Republic of China with registered address at Unit 401, Building B7, Suzhou BioBAY, No. 218, Xinghu Street, Suzhou Industrial Park, Suzhou, Jiangsu Province 215123, People's Republic of China ("**ELUMINEX**"). ELUMINEX and FIBROGEN are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, FIBROGEN owns or controls certain rights to patents, know-how, and other intellectual property and assets related to the Products (as hereinafter defined);

WHEREAS, ELUMINEX and its Affiliates desire to license these intellectual property rights from FIBROGEN, in order to commercially develop, manufacture, use and distribute the Product(s) throughout the Territory (as hereinafter defined), and FIBROGEN desires to grant such license to ELUMINEX and its Affiliates, in accordance with the terms and conditions of this Agreement;

WHEREAS, the Parties entered into an **AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT** (the "**First Restated License**") dated January 21, 2022 (the "**First Restated License Execution Date**"), under which the Parties amended certain payment and storage provision terms relating to recombinant human collagen III;

WHEREAS, the Parties wish to expand the First Restated License to the transfer of certain rights relating to recombinant human collagen products other than recombinant human collagen III (including, without limitation, recombinant human collagen I) for additional consideration.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

All references to particular Exhibits, Articles or Sections shall mean the Exhibits to, and Articles and Sections of this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits hereto, the following words and phrases shall have the following meanings:

1.1"**Abandoned Patent Right**" has the meaning set forth in Section 4.3.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.2"**Accounting Standards**" means U.S. Generally Accepted Accounting Principles (GAAP) with respect to FIBROGEN and ELUMINEX, and GAAP or International Financial Reports Standards (IFRS), as applicable, with respect to any Sublicensee, in each case, as generally and consistently applied through the Sublicensee's organization. Each Party shall promptly notify the other in the event that it changes the Accounting Standards pursuant to which its records are maintained; *provided, however* that each Party may only use internationally recognized accounting principles (*e.g.* IFRS, GAAP, etc.).

1.3"**Active Ingredient**" means the clinically active material(s) that provide pharmacological activity in a pharmaceutical product (excluding, for the avoidance of doubt, formulation components such as coatings, stabilizers, excipients or solvents, adjuvants or controlled release technologies).

1.4"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person, for as long as such control exists. For purposes of the definition of "Affiliate," "control" means the direct or indirect ownership of more than fifty percent (50%) of the voting or economic interest of a Person, or the power, whether pursuant to contract, ownership of securities or otherwise, to direct the management and policies of a Person. For clarity, once a Person ceases to be an Affiliate of a Party, then, without any further action, such Person shall cease to have any rights, including license and sublicense rights, obtained by such Person directly under this Agreement solely by reason of being an Affiliate of such Party.

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

1.6"**Annual Report**" has the meaning set forth in Section 6.2.

1.7"**Anti-Corruption Laws**" means Laws, regulations, or orders prohibiting the provision of a financial or other advantage for a corrupt purpose or otherwise in connection with the improper performance of a relevant function, including without limitation, the U.S. Foreign Corrupt Practices Act and similar laws governing corruption and bribery, whether public, commercial or both, to the extent applicable.

1.8"**Arbitration Date**" has the meaning set forth in Section 11.4.

1.9"**Audited Party**" has the meaning set forth in Section 3.7.

1.10"**Calendar Quarter**" means the respective periods of three consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.11"**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.12"**CEO Delegate**" means the Chief Executive Officer of each Party or their respective delegate.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.13"**cGMP**" means all applicable current Good Manufacturing Practices, including, as applicable, (a) the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 4, 210, 211, 601, 610 and 820, (b) European Directive 2003/94/EC and Eudralex 4, (c) the principles detailed in the International Conference on Harmonization's Q7 guidelines, and (d) the equivalent applicable Laws in any relevant country or region, each as may be amended and applicable from time to time.

1.14"**Clinical Trial**" means any human clinical trial of a Product.

1.15"**China**" means People's Republic of China, for purposes of this Agreement, excluding Hong Kong, Macao, and Taiwan, which, for purposes of this Agreement, shall each be deemed a "region."

1.16"**China CPI**" means, the consumer price index as published by the National Bureau of Statistics of People's Republic of China, or any replacement index if applicable.

1.17"**Combination Product**" means a Product that, in addition to containing [*] an active ingredient or component, also contains at least one other Active Ingredient that is not [*] (the "**Other Component**").

1.18"**Commercially Reasonable Efforts**" means, with respect to a Party's obligations or activities under this Agreement for a Product, the application of such efforts and resources as are commensurate with those commonly used by a similarly situated biotechnology company for a product at a similar stage in its development or product life cycle and of similar market potential and intellectual property protection as the Product, taking into account all relevant factors, including the competitiveness of the marketplace and the proprietary position, regulatory status, and relative safety and efficacy of such Product, and any other relevant scientific, technical, regulatory or commercial factors.

1.19"**Commercial Milestone Events**" has the meaning set forth in Section 3.3.

1.20"**Commercial Milestone Payments**" has the meaning set forth in Section 3.3.

1.21"**Competitive Product**" means [*].

1.22"**Confidential Information**" has the meaning set forth in Section 10.1.1.

1.23"[***] Agreement**" means the [*] agreement to be agreed and entered into by and between the Parties.

1.24"**Control**" or "**Controlled**" means, with respect to any Know-How, material, Patent Right, or other intellectual property right, the possession (whether by ownership or license) by a Party or its Affiliates, other than pursuant to this Agreement, of the ability to grant to the other Party a license, sublicense or access as provided herein to such Know-How, material, Patent Right, or other intellectual property right, without violating the terms of any agreement or other arrangement with any Third Party, or with respect to any Know-How, material, Patent Right, or other intellectual property right that comes into the Control of such Party or its Affiliates during the Term, if obligated to pay any royalties or other consideration therefor, if the other Party agrees to pay such royalties or other consideration, in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such license, sublicense or access.

1.25"**Cornea Product**" means any Product that consists of, comprises or incorporates a [*].

1.26"**[*] Product Manufacture Technology Transfer Completion Date**" shall have the meaning set forth in Section 5.4.

1.27"**[*] Product Royalty Term**" has the meaning set forth in Section 3.4.1.

1.28"**Covered**" means, with respect to a claim of a Patent Right and a Product, that such claim, absent a license thereunder or ownership thereof, would be infringed by the Exploitation of such Product; for clarity, with respect to any claims that are pending, such pending claim shall be treated as if it were issued for purposes of determining infringement at the time coverage is assessed. "**Cover**" when used as a verb shall have the corresponding meaning.

1.29"**Defending Party**" has the meaning set forth in Section 4.4.4.

1.30"**Development Milestone Events**" has the meaning set forth in Section 3.2.

1.31"**Development Milestone Payments**" has the meaning set forth in Section 3.2.

1.32"**Development Report**" has the meaning set forth in Section 6.2.

1.33"**Disclosing Party**" has the meaning set forth in Section 10.1.1.

1.34"**Dispute**" has the meaning set forth in Section 12.5.

1.35"**Effective Date**" means July 16, 2021 (Pacific Time). This Agreement is effective as of the Effective Date.

1.36"**ELUMINEX**" has the meaning set forth in the Preamble.

1.37"**ELUMINEX Indemnified Parties**" has the meaning set forth in Section 9.1.2.

1.38"**ELUMINEX IP**" has the meaning set forth in Section 4.1.1.

1.39"**Enforcing Party**" has the meaning set forth in Section 4.4.3.

1.40"**Equipment**" has the meaning set forth in Section 5.3.

1.41"**Exploit**" means to research, develop, make, use, offer for sale, sell, import, export, distribute, commercialize, or otherwise exploit a product, or have others do the same. "**Exploitation**" has a corresponding meaning.

1.42"**FDA**" means the United States Food and Drug Administration or its successor.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.43"**FDCA**" means the Federal Food Drug and Cosmetic Act, as amended from time to time.

1.44"**FIBROGEN**" has the meaning set forth in the Preamble.

1.45"**FIBROGEN Know-How**" means all Know-How that is owned or otherwise Controlled by FIBROGEN as of the Effective Date and is necessary or reasonably useful for the Exploitation of the Products in the Field in the Territory, including, without limitation, the Know-How as outlined in Exhibit A.

1.46"**FIBROGEN Indemnified Parties**" has the meaning set forth in Section 9.1.1.

1.47"**FIBROGEN Patents**" means any and all Patent Rights that are owned or otherwise Controlled by FIBROGEN as of the Effective Date or become owned or otherwise Controlled by FIBROGEN during the Term that Covers the Exploitation of the Products in the Field in the Territory. For clarity, FIBROGEN Patents shall include, without limitation, [*] ("**Know-How Product Patents**"), and [*]. FIBROGEN Patents [*] are set forth in Exhibit B.

1.48"**Field**" means all indications and uses, including the prevention, detection, diagnosis, treatment and monitoring of all diseases, states or conditions in humans or animals.

1.49"**First Commercial Sale**" means, with respect to a Product in any country or region, the first sale for end use or consumption of such Product in such country or region after Regulatory Approval has been granted in such country or region.

1.50"**FTE**" means a qualified full time person, or more than one person working the equivalent of a full-time person, where "full time" is based upon a total of 2,080 working hours per Calendar Year of scientific or technical work carried out by one or more duly qualified employees of FIBROGEN. Overtime and work on weekends, holidays, and the like will not be counted with any multiplier (*e.g.* time-and-a-half or double time) toward the number of hours that are used to calculate the FTE contribution. In the event that any person who works full-time during a given Calendar Year works partially on the Initial Technology Transfer, the [*] Manufacture Technology Transfer or the [*] Manufacture Technology Transfer and partially on other work outside the Initial Technology Transfer, the [*] Manufacture Technology Transfer or the [*] Manufacture Technology Transfer in the Calendar Year, then the full-time equivalent to be attributed to such person's work hereunder for such Calendar Year will be equal to the percentage of such person's total work time in such Calendar Year (which, for clarity, shall be deemed 2,080 working hours) that such person spent working on the Initial Technology Transfer, the [*] Manufacture Technology Transfer or the [*] Manufacture Technology Transfer as recorded monthly in an appropriate time-sheet system. For clarity, FTE efforts will not include the work of general corporate or administrative personnel or Third Party consultants or contractors, and no individual person can ever constitute more than a single FTE.

1.51"**FTE Rate**" means [*] per FTE per hour for FIBROGEN's employees in the U.S., which amount shall be adjusted in proportion to any increase or decrease in the U.S. CPI once per year at the first and each subsequent anniversary of the Effective Date, and [*] per FTE per hour for FIBROGEN's employees in China, which amount shall be adjusted in proportion to any increase or decrease in the China CPI once per year at the first and each subsequent anniversary of the Effective Date.

1.52"**Government Official**" means (a) any official or employee of any Governmental Authority, or any department, agency, or instrumentality thereof (including without limitation commercial entities owned or controlled, directly or indirectly, by a Governmental Authority), (b) any political party or official thereof, or any candidate for political office, in the Territory, (c) any official or employee of any public international organization, or (d) any family members of any of the foregoing.

1.53"**Governmental Authority**" means any multi-national, national, federal, state, local, municipal or other government authority, instrumentality or body of any nature (including any governmental division, subdivision, department, ministry, agency, bureau, branch, office, commission, council, court or other tribunal).

1.54"**Initial Technology Transfer**" has the meaning set forth in Section 5.1.

1.55"**Initiation**" means, with respect to a Clinical Trial, the first dosing of the first subject in such Clinical Trial. "**Initiated**" shall have a corresponding meaning.

1.56"**Issuing Party**" has the meaning set forth in Section 10.2.2.

1.57"**JCC**" has the meaning set forth in Section 6.3.

1.58"**Joint IP**" has the meaning set forth in Section 4.1.3.

1.59"**Joint Patents**" has the meaning set forth in Section 4.1.3.

1.60"**Joint Press Release**" has the meaning set forth in Section 10.2.1.

1.61"**Know-How**" means non-public techniques, technology, trade secrets, inventions (whether patentable or not), methods, know-how, data and results (including pharmacological, toxicological and clinical data and results), analytical and quality control data and results, regulatory documents, and other information, compositions of matter, cells, cell lines, assays, animal models and other physical, biological, or chemical material.

1.62"**Know-How Product IP**" means any new and registerable intellectual property rights directed to any FIBROGEN Know-How.

1.63"**Know-How Product Patents**" has the meaning set forth in Section 1.47.

1.64"**Law**" means laws, statutes, rules, regulations, and other pronouncements having the effect of law of any Governmental Authority that may be in effect from time to time, including disclosure obligations required by any stock exchange or securities commission having authority over a Party and any rules, regulations, guidances, or other requirements of any Regulatory Authority that may be in effect from time to time.

1.65"**License**" has the meaning set forth in Section 2.1.

1.66"**Licensed Technology**" means the FIBROGEN Patents and the FIBROGEN Know-How.

1.67"**Losses**" has the meaning set forth in Section 9.1.1.

1.68"**Market**" means the Paid-Up Market, the Non-Established Market, or the Remaining Market, as applicable.

1.69"**Net Sales**" means, with respect to a Product, the gross amount invoiced for such Product sold by ELUMINEX, its Affiliates or Sublicensee(s) (the "**Selling Party**") to Third Parties, less the following deductions with respect to such sales that are either included in the billing as a line item as part of the gross amount invoiced, or otherwise documented as a deduction in accordance with the applicable Accounting Standards (without duplication):

(a)sales taxes, excise taxes, use taxes, inventory taxes, VAT and duties paid by the Selling Party in relation to the Product and any other equivalent governmental charges imposed upon the importation, delivery, use or sale of the Product [*];

(b)credits and allowances for defective or returned Product, including allowances for spoiled, damaged, outdated, rejected, returned, withdrawn or recalled Product;

(c)governmental and other rebates, refunds, and chargebacks (or equivalents thereof) granted to managed health care organizations, pharmacy benefit managers (or equivalents thereof), federal, state, provincial, local and other governments, their agencies and purchasers and reimbursers or to trade customers, in each case with respect to the Product;

(d)reasonable fees paid to or rebates granted to wholesalers, distributors, selling agents (excluding any sales representatives of a Selling Party), hospitals, group purchasing organizations, Third Party payors (including health insurance carriers), other contractees and managed care entities, in each case with respect to the Product;

(e)amounts written off by reason of uncollectible debt if and when actually written off or allowed; *provided*, *however*, [*];

(f)reasonable transportation charges relating to the Product, including handling charges and insurance premiums relating thereto; and

(g)trade, cash, prompt payment and/or quantity discounts, allowed and taken directly by the Third Party.

Net Sales shall be determined from books and records maintained in accordance with the applicable Accounting Standards, consistently applied throughout the organization and across all products of the Selling Party whose sales of the Product are giving rise to Net Sales.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Net Sales for any Combination Product will be calculated on a country-by-country (or region-by-region) basis by multiplying actual Net Sales of such Combination Product by the fraction (A-B)/A, where A is the gross invoice price for such Combination Product in such country (or region) and B is the gross invoice price for the Other Component contained in such Combination Product if such Other Component is sold separately in finished form in such country (or region). If such Other Component is not sold separately in finished form in such country (or region), the Parties will determine Net Sales for such Combination Product by mutual agreement [*], and will take into account in good faith any applicable allocations and calculations [*].

[*].

For the avoidance of doubt, disposition of Product for, or use of Product in, Clinical Trials or other scientific testing, as free samples, or under compassionate use, patient assistance, or test marketing programs or other similar programs or studies, [*], shall not be considered Net Sales under this Agreement.

Sales of a Product between or among ELUMINEX and its Affiliates or Sublicensees shall be excluded from the computation of Net Sales and no payments shall be payable on such sales except where such Affiliates or Sublicensees are end users.

1.70 "**NMPA**" means the National Medical Products Administration of People's Republic of China, or its successor.

1.71 "**Non-Established Market**" means those countries listed in Exhibit G (Non-Established Market) attached hereto and incorporated herein.

1.72 "**Other Component**" has the meaning set forth in Section 1.17.

1.73 "**Other Product**" means any Product [*].

1.74 "[*] **Product Royalty Term**" has the meaning set forth in Section 3.4.2.

1.75 "**Paid-Up Market**" means the following countries: [*]

1.76 "**Party**" has the meaning set forth in the Preamble.

1.77 "**Patent Rights**" means the rights and interests in and to all national, regional and international (a) patent applications, including, without limitation, provisional, converted provisional, and non-provisional, and continued prosecution application, continuation, divisional or continuation-in-part thereof, and (b) patents (including any patents issuing from any patent applications in (a)), including, without limitation, certificates of invention, registrations, reissues, extensions, substitutions, confirmations, renewals, re-registrations, re-examinations, revalidations, patents of additions or like filing thereof.

1.78 "**Person**" means any corporation, limited or general partnership, limited liability company, joint venture, trust, unincorporated association, governmental body, authority, bureau or agency, any other entity or body, or an individual.

1.79"**Pivotal Trial**" means a Clinical Trial of a Product in human subjects which is designed (or subsequently achieves the following): (a) to establish that the Product is safe and efficacious for its intended use; (b) to define warnings, precautions and adverse reactions that are associated with the Product in the dosage range to be prescribed; and (c) to be, either by itself or together with one or more other Clinical Trials having a comparable design and size, the final human Clinical Trial in support of Regulatory Approval of the Product.

1.80"**Product**" means any product or device that (a) consists of, comprises or incorporates any [*], (b) is manufactured by or on behalf of ELUMINEX or its Affiliates or Sublicensees, and (c) is Covered by FIBROGEN Patents or constitutes, incorporates, comprises or contains FIBROGEN Know-How, in any and all current and future forms, presentations, strengths, and delivery modes.

1.81"**Proper Conduct Practices**" means all applicable Laws prohibiting a Person (and/or its Representatives) from (a) making, offering, authorizing, providing or paying anything of value in any form, whether in money, property, services or otherwise to any Governmental Authority, Government Official, or other Person charged with similar public or quasi-public duties, or to any customer, supplier, or any other Person, or to any employee thereof, or failing to disclose fully any such payments in violation of the laws of any relevant jurisdiction to (i) obtain favorable treatment in obtaining or retaining business for it or any of its Affiliates, (ii) pay for favorable treatment for business secured, (iii) obtain special concessions (or to pay for special concessions already obtained), for or in respect of it or any of its Affiliates, in each case which would have been in violation of any applicable Law, (iv) influence an act or decision of the recipient (including a decision not to act) in connection with the Person's or its Affiliate's business, (v) induce the recipient to use his or her influence to affect any government act or decision in connection with the Person's or its Affiliate's business or (vi) induce the recipient to violate his or her duty of loyalty to his or her organization, or as a reward for having done so; (b) engaging in any transactions, establishing or maintaining any fund or assets in which it or any of its Affiliates shall have proprietary rights that have not been recorded in the books and records of it or any of its Affiliates; (c) making any unlawful payment to any agent, employee, officer or director of any Person with which it or any of its Affiliates does business for the purpose of influencing such agent, employee, officer or director to do business with it or any of its Affiliates; (d) violating any provision of applicable Anti-Corruption Laws; (e) making any payment in the nature of bribery, fraud, or any other unlawful payment under the Law of any jurisdiction where it or any of its Affiliates conducts business or is registered; or (f) if such Person or any of its Representatives is a Government Official, improperly using his or her position as a Government Official to influence the award of business or regulatory approvals to or for the benefit of such Person, its Representatives or any of their business operations, or failing to recuse himself or herself from any participation as a Government Official in decisions relating to such Person, its Representatives or any of their business operations.

1.82"**Prosecute**" means, with respect to any Patent Rights or other registrable intellectual property rights, to prepare, file, prosecute, maintain and defend (but, for clarity, not enforce) such Patent Rights or other registrable intellectual property rights. "**Prosecution**" has a corresponding meaning.

1.83"**Receiving Party**" has the meaning set forth in Section 10.1.1.

1.84"**Regulatory Approval**" means, with respect to a Product in a country or region in the Territory, all approvals granted by a Regulatory Authority or other regulatory agency in such country or region that are necessary for the commercial sale of such Product for use in such country or region in the Territory, excluding any pricing and reimbursement approvals except to the extent required by applicable Law to sell the Product in such country or region.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.85 "**Regulatory Authority**" means any applicable Governmental Authority responsible for granting Regulatory Approvals for a Product, including FDA, NMPA, and any corresponding national or regional regulatory authorities.

1.86"**Regulatory Exclusivity**" means, with respect to a Product, any exclusive marketing rights or data exclusivity rights conferred by the applicable Regulatory Authority with respect to such Product (that would satisfy the requirements of Sections 505(b)(1) or 505(b)(2) of the FDCA or its non-U.S. equivalents) other than a Patent Right.

1.87"**Regulatory Filing**" means all (a) submissions, non-administrative correspondence, notifications, registrations, licenses, authorizations, applications and other filings with any Governmental Authority with respect to the research, clinical investigation, development, manufacture, distribution, pricing, reimbursement, marketing or sale of a Product, (b) Regulatory Approvals for a Product, and (c) approvals granted by a Regulatory Authority or other regulatory agency in a country or region in the Territory that are necessary for the manufacture, storage, import, marketing and distribution of a Product for use in such country or region in the Territory.

1.88"**Release**" has the meaning set forth in Section 10.2.2.

1.89"**Remaining Market**" means any country (or region) that is not included in the definition of Paid Up Market or Non-Established Market.

1.90"**Representatives**" means, as to any Person, such Person's Affiliates and its and their successors, controlling Persons, directors, officers and employees.

1.91"**Reviewing Party**" has the meaning set forth in Section 10.2.2.

1.92**"rhCI**" means the recombinant type 1 human collagen.

1.93"[***] Manufacture Technology Transfer**" has the meaning set forth in Section 5.4.

1.94"[***] Product**" means any Product consisting of, comprising or incorporating [*].

1.95"[***] Product Royalty Term**" has the meaning set forth in Section 3.4.3.

1.96"**rhCIII**" means the recombinant type 3 human collagen.

1.97"[*****] **Manufacture Technology Transfer**" has the meaning set forth in Section 5.4.

1.98"[***] Product**" means any Product consisting of, comprising or incorporating [*].

1.99[*]

1.100"**Royalty Term**" means the [*] Product Royalty Term, the [*] Product Royalty Term, or the [*] Product Royalty Term, as applicable.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.101 "**Selling Party**" has the meaning set forth in Section 1.69.

1.102 "**Sublicensee(s)**" means any Person other than an Affiliate of ELUMINEX to whom ELUMINEX has granted a sublicense under the rights granted to ELUMINEX under Section 2.2.

1.103 "**Tax**" or "**Taxes**" means any form of tax or taxation, levy, duty, charge, social security charge, contribution or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed by, or payable to, any government, state or municipality, or any local, state, federal or other fiscal, revenue, customs, or excise authority, body or official in the Territory.

1.104 "**Term**" has the meaning set forth in Section 11.1.

1.105 "**Territory**" means the entire world.

1.106 "**Third Party**" means a Person other than (a) FIBROGEN and (b) ELUMINEX and its Affiliates.

1.107 "**U.S.**" or "**United States**" means the United States of America and its possessions and territories, including Puerto Rico.

1.108 "**U.S. CPI**" means, the consumer price index as published by the Bureau of Labor Statistics, U.S. Department of Labor, or any replacement index if applicable.

1.109 "**Valid Claim**" means a claim of any issued and unexpired patent or patent application pending in good faith within the FIBROGEN Patents which has not been (a) revoked or held invalid or unenforceable by a final decision of a court or governmental agency of competent jurisdiction (and which decision can no longer be appealed or was not appealed within the time allowed), (b) held to be invalid or unenforceable through reissue, re-examination or disclaimer or otherwise, or (c) dedicated to the public, disclaimed (whether explicitly or otherwise), abandoned, or admitted in writing to be invalid or unenforceable or of a scope not Covering a particular Product; *provided*, *however*, that if a claim of a pending patent application within the FIBROGEN Patents shall not have issued within [*], such claim shall not constitute a Valid Claim for the purposes of this Agreement unless and until such claim is included in an issued or granted patent (from and after which time the same would be deemed a Valid Claim).

1.110 "**VAT**" means the value added tax or any form of consumption tax levied by a relevant tax authority, as well as all other forms of consumption taxes levied by the relevant tax authority on the purchase of a good or a service, including but not limited to sales tax and good and service tax.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

ARTICLE 2
LICENSE GRANTS; RESTRICTIONS

Section 2.1 Exclusive License Grant and Patent Assignment to ELUMINEX.

2.1.1 Exclusive License Grant. Subject to the terms and conditions of this Agreement, FIBROGEN hereby grants to ELUMINEX an exclusive (even as to FIBROGEN but subject to Section 2.3), transferrable (subject to Section 12.9), royalty-bearing, sublicensable (through multiple tiers of sublicensees in accordance with Section 2.2), license under the Licensed Technology to Exploit the Products in the Field in the Territory during the Term (the "**License**").

2.1.2 Patent Assignment. FIBROGEN hereby agrees to assign the Patent Rights listed in Exhibit H to ELUMINEX within [*]. In the event this Agreement has been terminated by FIBROGEN pursuant to Section 11.2.1, and if FIBROGEN so demands, ELUMINEX hereby agrees to assign all right, title, and interest it has in and to the Patent Rights listed on Exhibit H and any patent applications and/or patents claiming benefit thereto, in each case to the extent pending or in force, back to FIBROGEN.

Section 2.2 Sublicenses. ELUMINEX shall have the right to sublicense the License (a) to [*], or (b) to [*], in each case of (a) and (b), without FIBROGEN's prior written consent, provided that ELUMINEX shall provide written notice of the granting of a sublicense to FIBROGEN within [*] after entering into any such sublicense and each sublicense shall be consistent with the terms and conditions of the License.

ELUMINEX shall be and remain responsible for ensuring each of its Affiliates, Sublicensees or subcontractors utilized by ELUMINEX to perform certain of ELUMINEX's obligations under this Agreement [*] Agreement will comply with the provisions of this Agreement and the [*] Agreement applicable to such Person's performance and shall be and remain liable for any breaches hereof or thereof by any such Affiliate, Sublicensee or subcontractor as though the same were a breach by ELUMINEX, [*].

Section 2.3 Retained Rights. Notwithstanding anything herein to the contrary, but subject to the last paragraph of this Section 2.3, any rights not expressly granted to ELUMINEX by FIBROGEN under this Agreement are hereby retained by FIBROGEN, including the right:

(a) to exercise its rights, and perform its obligations, under this Agreement, whether directly or through one or more Affiliates, licensees or subcontractors; and

(b) to make and have made (itself or through its Affiliates and licensees) the Product in accordance with Article 7 and the [*] Agreement.

FIBROGEN shall be and remain responsible for ensuring each of its licensees (other than ELUMINEX) or subcontractors utilized by FIBROGEN to perform certain of FIBROGEN's obligations under this Agreement [*] and the [*] Agreement will comply with the provisions of this Agreement and the [*] Agreement applicable to such Person's performance and shall be and remain liable for any breaches hereof or thereof by any such licensee or subcontractor as though the same were a breach by FIBROGEN, and ELUMINEX shall have the right to proceed directly against FIBROGEN without any obligation to first proceed against FIBROGEN's licensee or subcontractor.

Section 2.4 Limited Grant. ELUMINEX acknowledges that the rights and licenses granted under this Article 2 and elsewhere in this Agreement are limited to the scope expressly granted.

Section 2.5 Non-Compete. [*], neither Party would, directly or indirectly (by itself or with or through an Affiliate or a Third Party) Exploit any Competitive Product in the Territory, other than, in the case of ELUMINEX, the Products, or, in the case of FIBROGEN, the Products for the sole purpose of assisting ELUMINEX's Exploitation of the Products as contemplated under this Agreement or the [*] Agreement.

Section 2.6 [*] Agreement. The Parties shall enter into the [*] Agreement on mutually agreeable terms as soon as practicable, but in no event later than [*]. ELUMINEX shall send a complete initial draft of the [*] Agreement by [*] and the Parties will work diligently and in good faith to negotiate and enter into the such agreement as soon as practicable.

ARTICLE 3
FEES, ROYALTIES AND PAYMENTS

Section 3.1 Upfront Payment. In partial consideration of the rights granted herein to ELUMINEX, [*] ELUMINEX paid to FIBROGEN a one-time, non-refundable, non-creditable payment of [*] eight million U.S. Dollars ($8,000,000), in accordance with Section 3.6.1, [*]

In partial consideration of the rights granted herein to ELUMINEX, ELUMINEX shall make the following one-time, non-refundable, non-creditable payments to FIBROGEN: (i) [*] one million U.S. Dollars ($1,000,000) [*], and (ii) [*] of five hundred thousand U.S. dollars ($500,000) [*] in accordance with Section 3.6.1, [*].

Section 3.2 Development Milestones. In partial consideration of the rights granted herein to ELUMINEX, ELUMINEX shall pay to FIBROGEN certain development milestone payments ("**Development Milestone Payments**") related to the Cornea Product in accordance with this Section 3.2. Following the first occurrence by or on behalf of ELUMINEX, its Affiliates or Sublicensee(s) of each milestone event with respect to the Cornea Product set forth in the table below (the "**Development Milestone Events**"), ELUMINEX shall provide notice to FIBROGEN [*], and [*] shall invoice ELUMINEX for the applicable Development Milestone Payment in accordance with the notice, [*]. Within [*] following ELUMINEX's receipt of such invoice, ELUMINEX shall pay such Development Milestone Payment to FIBROGEN in accordance with Section 3.6.1. For clarity, (a) each Development Milestone Payment is payable only once, (b) no Development Milestone Payment shall be payable for subsequent or repeated achievements of a Development Milestone Event with respect to one or more of the same or different Cornea Products. Each of the Development Milestone Payments shall be non-refundable and non-creditable. The Development Milestone Events and Development Milestone Payments shall be as follows (all amounts in U.S. Dollars):

	Milestone	Payment
1	[*]	[*]
2	[*]	[*]
3	[*]	[*]
4	[*]	[*]

Section 3.3 Commercial Milestones. ELUMINEX shall pay to FIBROGEN certain commercial milestone payments (each, a "**Commercial Milestone Payment**") in relation to the Cornea Products and Other Products respectively, following the first occurrence of certain commercial milestone events, as set forth in this Section 3.3 (the "**Commercial Milestone Events**"). ELUMINEX shall provide notice to FIBROGEN within [*] during which a Commercial Milestone Event is achieved. [*] shall invoice ELUMINEX for the applicable Commercial Milestone Payment in accordance with the notice, [*], [*]. Within [*] following ELUMINEX's receipt of such invoice, ELUMINEX shall pay such Commercial Milestone Payment to FIBROGEN in accordance with Section 3.6.1. For clarity, each Commercial Milestone Payment shall be payable by ELUMINEX only once, regardless of the number of times each such Commercial Milestone Event is achieved, and Net Sales of any Product outside its last applicable Royalty Term shall not count towards the [*] for determining Commercial Milestone Events. The Commercial Milestone Events and Commercial Milestone Payments shall be as follows (all amounts in U.S. Dollars):

3.3.1 Cornea Product.

Cornea Product Commercial Milestone Event [*]	Commercial Milestone Payment
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]

3.3.2 Other Product.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Other Product Commercial Milestone Event [*]	Commercial Milestone Payment
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]

For clarity, recitations of [*] in the table immediately above refers to [*].

3.3.3[*] Product.

[*] Product Commercial Milestone Event [*]	Commercial Milestone Payment
[*]	[*]

Section 3.4 Royalties

3.4.1[*] Product Royalty Payments to FIBROGEN. Subject to the remainder of this Section 3.4.1 and Section 3.5, ELUMINEX shall pay to FIBROGEN a royalty on annual aggregate Net Sales of all [*] Products sold by any Selling Party during each year (or partial year) of the applicable [*] Product Royalty Term, as calculated by multiplying the applicable royalty rate set forth below by the corresponding amount of incremental, aggregated Net Sales of all [*] Products sold in the Territory in the applicable Calendar Year.

Aggregate Annual Net Sales of [*] Products	Royalty Rate
[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]

ELUMINEX's obligation to pay royalties with respect to a [*] Product sold in a particular country (or region) shall commence upon the First Commercial Sale of such [*] Product in such country (or region) and shall expire on a country-by-country (or region-by-region) basis on the latest of: [*] (the "**[*] Product Royalty Term**"). For clarity, Net Sales of any [*] Product outside its [*] Product Royalty Term shall not count towards the aggregate annual Net Sales of [*] Products for purposes of this Section 3.4.1.

3.4.2[*] Product Royalty Payments to FIBROGEN. Subject to the remainder of this Section 3.4.2 and Section 3.5, ELUMINEX shall pay to FIBROGEN a royalty on annual aggregate Net Sales of all [*] Products sold by any Selling Party during each year (or partial year) of the applicable [*] Product Royalty Term, as calculated by multiplying the applicable royalty rate set forth below by the corresponding amount of incremental, aggregated Net Sales of all [*] Products sold in the Territory in the applicable Calendar Year.

Aggregate Annual Net Sales of [*] Products	Royalty Rate

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

[*]	[*]
[*]	[*]
[*]	[*]
[*]	[*]

ELUMINEX's obligation to pay royalties under this Section 3.4.2 with respect to an [*] Product sold in a particular country (or region) shall commence upon the First Commercial Sale of such [*] Product in such country (or region) and shall expire on a country-by-country (or region-by-region) basis on the latest of: [*] (the "**[*] Product Royalty Term**"). For clarity, Net Sales of any [*] Product outside its [*] Product Royalty Term shall not count towards the aggregate annual Net Sales of [*] Products for purposes of this Section 3.4.2.

3.4.3 Additional Royalties for [*] Products. In addition to any royalty payable to FIBROGEN under Sections 3.4.1 or 3.4.2, subject to the remainder of this Section 3.4.3, ELUMINEX shall pay FIBROGEN a royalty on annual aggregate Net Sales of [*] Products sold by any Selling Party during each year (or partial year) of the applicable [*] Product Royalty Term, in each subject Market, as calculated by multiplying the applicable royalty rate set forth below by the corresponding amount of aggregated Net Sales of [*] Products sold in such subject Market in the applicable Calendar Year.

Aggregate Annual Net Sales of [*] Products	**Royalty Rate**
[*]	[*]
[*]	[*]
[*]	[*]

ELUMINEX's obligation to pay royalties under this Section 3.4.3 with respect to a [*] Product sold in a particular country (or region) in a subject Market shall commence upon the First Commercial Sale of such [*] Product in such country (or region) and shall expire on a country-by-country (or region-by-region) basis on the latest of: [*] (the "**[*] Product Royalty Term**"). For clarity, Net Sales of any [*] Product outside its [*] Product Royalty Term shall not count towards the aggregate annual Net Sales of [*] Products for purposes of this Section 3.4.3.

It is expressly agreed between the Parties that Section 3.5 (Royalty Reductions) shall not apply to the additional royalties described in this section 3.4.3.

3.4.4 Reports and Payments. During the applicable Royalty Term, ELUMINEX shall prepare and deliver to FIBROGEN, based on its best knowledge and in good faith, estimated royalty reports for the sale of the applicable Product(s) by the Selling Parties for each Calendar Quarter within [*] after the end of each such Calendar Quarter specifying, in each of the following instances (a) through (d) or (f), as applicable to or having occurred in such Calendar Quarter: (a) total gross sales for the Product(s) sold or otherwise disposed of by a Selling Party in the Territory (and, with respect to the [*] Product(s), in each applicable Market); (b) amounts deducted in accordance with Section 1.69 from gross sales to calculate Net Sales; (c) Net Sales; (d) the amount of royalties payable for such Calendar Quarter, (e) [*] up until the end of such Calendar Quarter and (f) [*]. Promptly following receipt of each such estimated royalty report, [*]. [*] shall issue an invoice to ELUMINEX for the amount of royalties due for such Calendar Quarter in accordance with such estimated royalty report, [*] and ELUMINEX shall make each royalty payment to FIBROGEN within [*], in accordance with Section 3.6.1. Notwithstanding the foregoing, in the event there are any updates to such estimated royalty reports after the delivery of such reports to FIBROGEN after the end of any Calendar Quarter, ELUMINEX shall deliver the updated amounts of instances (a) through (d) or (f) as described in this Section 3.4.4 to FIBROGEN, at the same time with the royalty report due for the immediately following Calendar Quarter and (x) if there was an underpayment of the amount of royalties due for such Calendar Quarter based on the updated amounts for such Calendar Quarter, then [*] shall issue an invoice for (or add to its invoice for the immediately following Calendar Quarter) such shortfall amount, [*], and ELUMINEX shall pay the amount of such invoice within [*], in accordance with Section 3.6.1, and (y) if ELUMINEX overestimated the amount of royalties due for such Calendar Quarter in the estimated royalty reports and as a result overpaid the amount of royalties due for such Calendar Quarter, the amount of such excess shall be applied as a credit towards the royalty payments for the immediately following Calendar Quarter [*].

Section 3.5 Royalty Reductions.

3.5.1 No FIBROGEN Patent. On a country-by-country (or region-by-region) and Product-by-Product basis, at any time during the applicable Royalty Term, in the event the manufacture, use or sale of a Product in any country (or region) in the Territory is not Covered by a Valid Claim of any FIBROGEN Patent in such country (or region), the royalty rates applicable to such Product in such country (or region) shall immediately be reduced by [*].

3.5.2 Competition. On a country-by-country (or region-by-region) and Product-by-Product basis, at any time during the applicable Royalty Term, in the event one or more Competitive Products enter the Market in such country (or region), the royalty rates applicable to such Product in such country (or region) [*].

3.5.3 Third-Party Intellectual Property. In the event that Patent Rights or Know-How of a Third Party are, based on the reasonable opinion of ELUMINEX's IP counsel, necessary for the Exploitation of a Product in the Territory, ELUMINEX may deduct from the royalty payment that would otherwise have been due with respect to Net Sales of such Product in the Territory in a particular Calendar Quarter an amount equal to [*] of the royalties paid by ELUMINEX to such Third Party. In the event that FIBROGEN disagrees in good faith with the opinion of ELUMINEX's IP counsel, then the Parties shall mutually agree on an independent IP counsel to provide a legal opinion to both Parties, [*], as to the necessity of such Third Party Patent Rights or Know-How. Such independent counsel shall have extensive experience with respect to patent and intellectual property matters with respect to medical device, and must not be a current or former employee, contractor, agent or consultant of, or counsel to either Party or their respective Affiliates, or have any other current or previous business relationship with either Party or their respective Affiliates. If such independent IP counsel provides a legal opinion to the Parties that the Third Party Patent Rights or Know-How is necessary for the Exploitation of the Product, then ELUMINEX shall be entitled to make the deduction as provided in this Section 3.5.3.

3.5.4 Maximum Reduction. Notwithstanding Sections 3.5.1, 3.5.2 and 3.5.3, in no event shall any royalty deduction or royalty rate reduction, individually or in combination, decrease the aggregate royalties paid to FIBROGEN with respect to the Net Sales of any Product in any country or region in any Calendar Quarter [*] that would have been payable in such Calendar Quarter under Section 3.4.

Section 3.6 Payments.

3.6.1 Method of Payment. Unless otherwise agreed by the Parties, for all payments due from ELUMINEX to FIBROGEN and all payment terms in this Article 3 under this Agreement, ELUMINEX shall mean ELUMINEX BIOSCIENCES (SUZHOU) LIMITED. All payments due from ELUMINEX to FIBROGEN under this Agreement shall be paid in [*] by wire transfer or electronic funds transfer of immediately available funds to the following account:

[*]

provided, however, in the event of payment for [*] by wire transfer or electronic funds transfer of immediately available funds to the following account:

[*]

[*].

3.6.2 Currency Conversion. In the case of sales outside the United States, royalty payments by ELUMINEX under Section 3.4 shall be expressed in the applicable royalty reports under Section 3.4.4 in [*], except as directed by FIBROGEN in a different currency by reasonable advance written notice, and shall be calculated on a quarterly basis in the currency of the country of the sales and converted to [*]. All currency conversion will use the rate of exchange for such currency as reported in [*], (i) on the last day of the applicable reporting period (or, if unavailable on such date, the first date thereafter on which such rate is available), [*]. ELUMINEX shall cause any Sublicensees to comply with the terms of this Section 3.6.2.

3.6.3 Late Payments. In the event that any payment due hereunder that is not being disputed in good faith is not paid when due, such payment shall accrue interest beginning on the day following the due date thereof, calculated at the annual rate of the sum of [*] that in no event shall said annual interest rate exceed the maximum rate permitted by applicable Law.

Section 3.7 Records and Audits. ELUMINEX shall keep complete and accurate records of the underlying revenue and expense data relating to the calculations of Net Sales generated in the then current Calendar Year and payments required under this Agreement, and during the preceding [*]. FIBROGEN shall have the right, [*], to have a internationally recognized, independent, certified public accounting firm, selected by it and subject to ELUMINEX's prior written consent [*], review any such records of ELUMINEX, its Affiliates and Sublicensees (the "**Audited Party**") in the location(s) where such records are maintained by the Audited Party upon reasonable written notice (which shall be [*] prior written notice) and during regular business hours and under obligations of strict confidence, for the sole purpose of verifying the basis and accuracy of payments made under this Article 3 within the [*] preceding the date of the request for review. No Calendar Year shall be subject to audit under this Section 3.7 [*]. ELUMINEX shall receive a copy of the portions of each such report necessary to verify the accuracy of any purported discrepancy. Should such inspection lead to the discovery of a discrepancy to FIBROGEN's detriment, ELUMINEX shall, within [*] after receipt of such report from the accounting firm, pay any undisputed amount of the discrepancy together with interest at the rate set forth in Section 3.6.3. [*]. Should the audit lead to the discovery of a discrepancy to the Audited Party's detriment, [*], and if there are no such payments payable, [*].

Section 3.8 Taxes.

3.8.1 Cooperation. The Parties agree to, to the extent permitted by applicable Law, cooperate with one another and [*] avoid or reduce Tax withholding or similar obligations in respect of royalties, milestone payments, and other payments made by ELUMINEX to FIBROGEN under this Agreement. FIBROGEN shall provide ELUMINEX with any tax forms that may be reasonably necessary in order for ELUMINEX to not withhold Taxes or to withhold Taxes at a reduced rate under an applicable bilateral income tax treaty, and FIBROGEN shall use reasonable efforts to provide any such tax forms to ELUMINEX in advance of the due date. FIBROGEN shall [*] recover, as permitted by applicable Law, withholding taxes resulting from payments made to it under this Agreement. Each Party shall provide the other Party with reasonable assistance to enable the recovery, as permitted by applicable Law, of withholding taxes resulting from payments made under this Agreement, such recovery to be for the benefit of the Party bearing such withholding tax.

3.8.2 VAT. All payments due to FIBROGEN from ELUMINEX pursuant to this Agreement shall be paid without any deduction for VAT that ELUMINEX may be required by applicable Law in the Territory to withhold or pay to any tax authorities in the Territory. If any VAT is required by applicable Law to be paid to any Governmental Authority from any payment from ELUMINEX to FIBROGEN under this Agreement, ELUMINEX shall [*].

3.8.3 Withholding Tax. If any deductions or tax withholdings for income tax are required by applicable Law to be paid to any Governmental Authority in the Territory from any payment from ELUMINEX to FIBROGEN under this Agreement, ELUMINEX shall [*].

ARTICLE 4
PATENT PROSECUTION, MAINTENANCE AND INFRINGEMENT

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 4.1 Ownership of Inventions.

4.1.1ELUMINEX IP. As between the Parties, all rights, title and interest in and to any intellectual property (including its improvements), including but not limited to inventions, know-how, data, results, procedures, process, formula, etc., and any other tangible objects to be created or developed in connection with the Product solely by, for or on behalf of ELUMINEX (whether alone or through or together with its Affiliates or a Third Party) ("**ELUMINEX IP**") shall be solely owned by ELUMINEX. For the avoidance of doubt, ELUMINEX IP may include any improvements, enhancements or other modifications of FIBROGEN Know-How created or developed in connection with the Product solely by, for or on behalf of ELUMINEX (whether alone or through or together with its Affiliates or a Third Party).

4.1.2Know-How Product IP. Subject to the License, all rights, title and interest in and to any Know-How Product IP (including any Know-How Product IP that is applied for or registered) shall be solely owned by FIBROGEN. Any Know-How Product Patents shall be included as FIBROGEN Patents.

4.1.3Joint IP. Subject to the License, all rights, title and interest in and to any Patent Rights claiming inventions that constitute any combination of (a) ELUMINEX IP and (b) FIBROGEN Know-How (such inventions, "**Joint IP**" and such Patent Rights, "**Joint Patents**"), shall be jointly owned by ELUMINEX and FIBROGEN. Joint Patents shall be included as FIBROGEN Patents. Each Party agrees to assign and hereby assigns to the other Party a joint and undivided interest in and to all Joint IP and Joint Patents.

4.1.4Assistance. Each Party shall take all actions and provide the other Party with all reasonably requested assistance to effect the ownership rights set forth in this Section 4.1 and shall execute (or cause to be executed) any and all documents necessary to perfect such ownership as between the Parties. Promptly following ELUMINEX's or any of its Affiliates' receipt of any invention disclosure disclosing an invention that constitutes Joint IP, ELUMINEX shall disclose, or shall cause its applicable Affiliate to disclose, the invention to FIBROGEN in writing.

Section 4.2 Prosecution and Maintenance.

4.2.1FIBROGEN Patents. For purposes of this Section 4.2.1, "FIBROGEN Patents" do not include Know-How Product Patents or Joint Patents. ELUMINEX shall have [*] to Prosecute all FIBROGEN Patents in the Territory, [*]. ELUMINEX shall [*] Prosecute all FIBROGEN Patents, *provided*, *however*, that neither Party represents nor warrants that any patent shall issue or be granted based on patent applications contained in the FIBROGEN Patents. FIBROGEN shall reasonably cooperate with ELUMINEX's requests for data, affidavits, and other information and assistance to support the Prosecution of the FIBROGEN Patents; [*]. ELUMINEX shall keep FIBROGEN [*] informed, in person or by telephone or email, regarding the status of such Prosecution activities, and ELUMINEX shall promptly, following receipt, forward to FIBROGEN copies of any material office actions, communications, and correspondence relating to the FIBROGEN Patents. FIBROGEN shall have the right to comment on and to discuss such Prosecution activities with ELUMINEX, and ELUMINEX shall consider the same in good faith and shall provide FIBROGEN with copies of all proposed filings and correspondence [*] to give FIBROGEN the opportunity to review and comment.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

4.2.2Joint Patents. ELUMINEX shall have the [*] to Prosecute all Joint Patents in the Territory, [*]. ELUMINEX shall [*] Prosecute all Joint Patents it elects to Prosecute, provided, however, that neither Party represents nor warrants that any patent will issue or be granted based on patent applications contained in the Joint Patents. FIBROGEN shall reasonably cooperate with ELUMINEX's requests for data, affidavits, and other information and assistance to support the Prosecution of the Joint IP; [*]. ELUMINEX shall keep FIBROGEN [*] informed, in person or by telephone or email, regarding the status of such Prosecution activities, and ELUMINEX shall promptly, following receipt, forward to FIBROGEN copies of any material office actions, communications, and correspondence relating to the Joint Patents. FIBROGEN shall have the right to comment on and to discuss such Prosecution activities with ELUMINEX, and ELUMINEX shall consider the same in good faith and shall provide FIBROGEN with copies of all proposed filings and correspondence [*] to give FIBROGEN the opportunity to review and comment.

4.2.3Know-How Product IP. ELUMINEX shall have the [*] to Prosecute all Know-How Product IP in the Territory, [*]. [*]. ELUMINEX shall [*] Prosecute all Know-How Product IP it elects to Prosecute, provided, however, that neither Party represents nor warrants that any patent or other intellectual property registration will issue or be granted based on patent or other registrable intellectual property applications contained in the Know-How Product IP. FIBROGEN shall discuss the filing strategy for Know-How Product IP with ELUMINEX in good faith, and shall reasonably cooperate with ELUMINEX's requests for data, affidavits, and other information and assistance to support the Prosecution of the Know-How Product IP; [*]. ELUMINEX shall keep FIBROGEN [*] informed, in person or by telephone or email, regarding the status of such Prosecution activities, and ELUMINEX shall promptly, following receipt, forward to FIBROGEN copies of any material office actions, communications, and correspondence relating to the Know-How Product IP. FIBROGEN shall have the right to comment on and to discuss such Prosecution activities with ELUMINEX, and ELUMINEX shall consider the same in good faith and shall provide FIBROGEN with copies of all proposed filings and correspondence [*] to give FIBROGEN the opportunity to review and comment.

4.2.4ELUMINEX IP. As between the Parties, ELUMINEX shall have the sole right but not the obligation to Prosecute all Patent Rights directed to ELUMINEX IP in the Territory, [*] using counsel of its own choice. ELUMINEX does not represent or warrant that any patent will issue or be granted based on patent applications directed to any ELUMINEX IP.

Section 4.3 FIBROGEN Step-In Right. Notwithstanding the foregoing, if ELUMINEX declines to Prosecute any FIBROGEN Patents set forth in Exhibit B any Know-How Product Patents, or any Joint Patents, elects to allow any such Patent Rights to lapse in any country, or elects to abandon any such Patent Rights which a Product is Covered by before all appeals within the respective patent office have been exhausted (each, an "**Abandoned Patent Right**"), then:

4.3.1[*]

4.3.2[*]

4.3.3[*]

4.3.4[*]

4.3.5[*]

Section 4.4 Enforcement.

4.4.1 ELUMINEX Enforcement. Each Party shall notify the other promptly in writing when any infringement of a FIBROGEN Patent by a Third Party is uncovered or reasonably suspected. ELUMINEX shall have the [*], to enforce any FIBROGEN Patents against any infringement or alleged infringement thereof in the Territory, and shall at all times keep FIBROGEN [*] informed as to the status thereof. ELUMINEX may, [*], institute suit against any such infringer or alleged infringer and control and defend and settle such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, [*]. FIBROGEN shall [*] cooperate in any such action [*]. ELUMINEX shall not [*].

4.4.2 FIBROGEN Enforcement. If ELUMINEX elects not to enforce any patent within the FIBROGEN Patents in the Territory, then it shall so notify FIBROGEN in writing [*], and FIBROGEN may, in its sole judgment, [*], take steps to enforce any such Patent Right by initiating suit against the infringer or alleged infringer and control, settle, and defend such suit in a manner consistent with the terms and provisions hereof, and recover any damages, awards or settlements resulting therefrom, [*]. ELUMINEX shall [*] cooperate in any such action [*]. FIBROGEN shall not [*].

4.4.3 Cooperation with Respect to Enforcement. Irrespective of which Party controls an action pursuant to this Section 4.4 (the "**Enforcing Party**"), the Parties shall collaborate in the choice of counsel with respect to such enforcement action and the Enforcing Party shall consider in good faith the comments of the other Party with respect to strategic decisions and their implementation with respect to such action. In furtherance of the foregoing, the Enforcing Party shall keep the other Party reasonably informed of the progress of any such enforcement action, and such other Party shall have the individual right to participate with counsel of its own choice [*].

4.4.4 Defense of Third Party Claims. If either (a) any Product Exploited by or on behalf of ELUMINEX becomes the subject of a Third Party's claim or assertion of infringement of a Patent Right relating to the Exploitation of such Product in the Field in the Territory, or (b) a declaratory judgment action is brought naming either Party as a defendant or alleging invalidity or unenforceability of any of the FIBROGEN Patents, the Party first having notice of the claim or assertion shall promptly notify the other Party, and the Parties shall promptly confer to consider the claim or assertion and the appropriate course of action. Subject to Article 9, unless the Parties otherwise agree in writing, each Party shall have the right to defend itself against a suit that names it as a defendant (the "**Defending Party**"). [*]. Neither Party shall [*]. Subject to Article 9, the other Party shall reasonably assist the Defending Party and cooperate in any such litigation at the Defending Party's request and the Defending Party shall [*].

Section 4.5 Recovery. Except as otherwise provided herein, [*], and any damages, settlements or other monetary awards recovered shall be shared as follows: [*]

(i)[*]

(ii)[*]

Section 4.6 Patent Marking. ELUMINEX shall mark, and shall cause all other Selling Parties to mark, the Product(s) in accordance with applicable patent marking Laws, [*].

ARTICLE 5
TECHNOLOGY TRANSFER AND COLLABORATION

Section 5.1 Initial Technology Transfer. [*], FIBROGEN shall transfer to ELUMINEX the FIBROGEN Know-How (including all items listed in Exhibit A, which shall include the FIBROGEN Know-How related to the manufacture of [*]) (the "**Initial Technology Transfer**"). The FIBROGEN Know-How shall be transferred in a customary electronic format to the extent available, or otherwise in the original paper format, and FIBROGEN shall provide ELUMINEX with a reasonable level of technical assistance and consultation in connection with the Initial Technology Transfer, including access to appropriate personnel from FIBROGEN by teleconference.

Section 5.2 Existing Materials Transfer. FIBROGEN shall transfer to ELUMINEX [*] for use consistent with this Agreement [*] and the [*] Agreement, provided, further, that [*]. Except as expressly set forth herein, any existing materials provided hereunder are provided on an "as is" basis. FIBROGEN shall [*] assign the [*] to ELUMINEX and provide reasonable assistance to ELUMINEX [*]. As of [*], any new charges by [*], and any such charges FIBROGEN is invoiced for after [*], provided that [*] have actually performed the services in accordance with such agreements [*].

Section 5.3 Existing Equipment Transfer. FIBROGEN agrees to assign and hereby assigns to ELUMINEX all rights, title and interest in and to the equipment designated to manufacture and quality control the Products as set forth in Exhibit C (the "**Equipment**"). During the Term, FIBROGEN shall maintain and hold the Equipment in trust for, on behalf of, and for the benefit of ELUMINEX, and retain possession of the Equipment for use consistent with this Agreement [*] or the [*] Agreement, until the Equipment is transferred to ELUMINEX or its designee pursuant to the remainder of this Section 5.3. At any time during the Term, promptly upon written notice by ELUMINEX, FIBROGEN shall use its reasonable efforts to deliver, or have delivered, the Equipment to ELUMINEX or its designee [*]. Upon acceptance of the Equipment, [*]. Subject to the foregoing provisions of this Section 5.3, the Equipment will be delivered on an "as is" basis.

Section 5.4 [*] Manufacturing Technology Transfer. At any time during the Term, FIBROGEN shall, at the written request of ELUMINEX, transfer technology related to the manufacture of [*] and the [*] Product to ELUMINEX or its designated manufacturer (the "**[*] Manufacture Technology Transfer**"). The [*] Manufacture Technology Transfer shall be conducted in accordance with the [*]. With respect to the [*] Product, the [*] Manufacture Technology Transfer shall be deemed to be completed by the earlier to occur of (a) ELUMINEX or its designated manufacturer [*], (b) ELUMINEX or its designated manufacturer [*], or (c) [*] (the "**[*] Product Manufacture Technology Transfer Completion Date**"). With respect to [*], the [*] Manufacture Technology Transfer shall be deemed to be completed on the earliest of (a) the date on which ELUMINEX or its designated manufacturer [*], (b) the date on which ELUMINEX or its designated manufacturer [*], or (c) [*]. FIBROGEN shall [*] assist ELUMINEX to complete the [*] Manufacture Technology Transfer within [*] after receiving the written request from ELUMINEX.

Section 5.5 [*] Manufacturing Technology Transfer. At any time during the Term, FIBROGEN shall, at the written request of ELUMINEX, transfer technology related to the manufacture of [*] to ELUMINEX or its designated manufacturer (the "**[*] Manufacture Technology Transfer**"). The [*] Manufacture Technology Transfer shall be conducted in accordance with the [*]. The [*] Manufacture Technology Transfer shall be deemed to be completed on the earliest of (a) the date on which ELUMINEX or its designated manufacturer [*], (b) the date on which ELUMINEX or its designated manufacturer [*], or (c) [*]. FIBROGEN shall [*] assist ELUMINEX to complete the [*] Manufacture Technology Transfer within [*] after receiving the written request from ELUMINEX.

Section 5.6 Transition Assistance. During the Term and with respect to the Initial Technology Transfer, the [*] Manufacture Technology Transfer and the [*] Manufacture Technology Transfer, FIBROGEN shall (a) at the reasonable request of ELUMINEX, provide up to [*] assistance, including general engineering and technical advice relating to the methods and processes of Exploiting Products and any and all other collaborative and assistance activities, and (b) at the reasonable request of ELUMINEX, provide further assistance in [*] at FIBROGEN's applicable FTE Rate.

ARTICLE 6
DEVELOPMENT AND COMMERCIALIZATION

Section 6.1 Responsibility for Development and Commercialization.

6.1.1 Responsibility. Following the Effective Date and at all times during the Term (except as expressly stated otherwise herein), ELUMINEX shall be responsible, [*], for the research, development, seeking, obtaining and maintaining Regulatory Approvals, commercialization and other Exploitation of all Products in the Field in the Territory, including regulatory, manufacturing, distribution, marketing and sales activities.

6.1.2 Level of Efforts. ELUMINEX shall [*] develop and commercialize the Products, including, but not limited to, clinical development, regulatory affairs, manufacturing and commercialization of the Products in the Field in the Territory, [*], to [*].

6.1.3 Regulatory Assistance. During the Term, ELUMINEX shall be the owner and the holder on record of all Regulatory Filings in the Territory in ELUMINEX's or its Affiliate's name. FIBROGEN agrees to assign and hereby assigns to ELUMINEX all Regulatory Filings with respect to the Products which are owned or controlled by FIBROGEN as of the Effective Date in the Territory, and shall transfer all such Regulatory Filings to ELUMINEX [*]. Except as set forth in the preceding sentence or as provided by FIBROGEN pursuant to Section 5.6, ELUMINEX shall be solely responsible for preparing, obtaining and maintaining all Regulatory Filings for the Products in the Territory, and for conducting all communications with Regulatory Authorities in the Territory, [*]. ELUMINEX shall provide summaries of all material Regulatory Filings as part of the progress reports provided to FIBROGEN in accordance with Section 6.2.

Section 6.2 Reports. On a [*] basis from the First Restated License Execution Date, ELUMINEX shall provide to FIBROGEN, [*], a report that includes a high-level summary of the status of ELUMINEX's and its Affiliates' and Sublicensees' development activities related to the Product(s) since the immediately preceding report, including [*] (the "**Development Reports**"). From and after the First Commercial Sale of a Product, ELUMINEX shall also provide annual reports (the "**Annual Reports**") to FIBROGEN within [*] following the end of each Calendar Year summarizing ELUMINEX's commercialization efforts during the prior Calendar Year with respect to such Product. Within [*] after FIBROGEN receives such Development Report or Annual Report from ELUMINEX, the Parties shall convene for meetings by teleconference, videoconference or some other electronic means (unless the Parties agree to meet in-person) to discuss such reports and the associated activities at such times and places as the Parties mutually agree. Each Party [*] associated with attending such meetings. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend such meetings. Each individual invited by a Party and attending any such meeting hereunder shall be bound by written non-use, non-disclosure terms and conditions at least as restrictive as those set forth in this Agreement with respect to the Confidential Information of the other Party.

Section 6.3 Joint Collaboration Committee. The Parties may, by mutual agreement at any time, establish a joint collaboration committee (the "**JCC**") to provide a forum for the Parties to exchange information with respect to the exercise of their rights and performance of their obligations in accordance with this Agreement. The responsibilities of the JCC shall be decided by the Parties if and when such JCC is formed, and may include:

(a) providing a forum for sharing information with respect to development and commercialization efforts,

(b) sharing pertinent information with respect to the Products, such as safety data, Regulatory Filings and Clinical Trial results,

(c) coordinating development and commercialization efforts where and as appropriate and providing subject matter expertise, and

(d) providing an initial forum for the discussion of any dispute between the Parties.

The JCC, if established, shall be comprised of [*] from each Party and shall meet when, where and as determined by the Parties. The JCC shall not have any decision-making authority but shall serve solely to facilitate the exchange of information by the Parties. The JCC may be disbanded at any time after its formation upon the request of either Party. The JCC shall have no authority or ability to amend, modify, or waive compliance by either Party with this Agreement.

ARTICLE 7
MANUFACTURE AND SUPPLY

Section 7.1 Supply by FIBROGEN. [*], FIBROGEN shall be responsible for supplying ELUMINEX's requirement for the [*] Product [*] in the [*] Agreement) in accordance with the [*] Agreement. Notwithstanding the foregoing, FIBROGEN's obligations to supply [*] Product to ELUMINEX shall terminate in all circumstances [*].

ARTICLE 8
REPRESENTATIONS

Section 8.1 Mutual Warranties. Each of FIBROGEN and ELUMINEX represent and warrant as of the Effective Date that:

(a) it is duly organized and validly existing under the Law of the jurisdiction of its incorporation, and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof, including the right to grant the licenses granted by it hereunder;

(b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the individual executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate action;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) this Agreement is legally binding upon it and enforceable in accordance with its terms. The execution, delivery and performance of this Agreement by it does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material applicable Law;

(d) it has not been debarred, excluded or the subject of debarment or exclusion proceedings by any Governmental Authority and

(e) it has established and maintains reasonable internal policies and controls, including codes of conduct and ethics and reasonable reporting requirements, intended to ensure compliance with Anti-Corruption Laws and other applicable Laws, to the extent applicable to it under the laws of the jurisdiction of its incorporation, including healthcare compliance, privacy laws and data protection laws.

Section 8.2 Mutual Covenants. Each Party shall comply in all material respects with all applicable Laws (including applicable Law relating to data protection and privacy) and Proper Conduct Practices in connection with the performance of its rights, duties and obligations under this Agreement.

Section 8.3 Additional FIBROGEN Representations and Warranties. FIBROGEN represents and warrants that, as of the Effective Date:

(a) FIBROGEN Controls the Licensed Technology, all Know-How and Patent Rights owned or in-licensed by FIBROGEN that are necessary or reasonably useful for the Exploitation of the Products in the Field in the Territory, and has sufficient rights, title, and interests thereunder to grant the License. Without limiting the generality of the foregoing, FIBROGEN exclusively owns all Licensed Technology. FIBROGEN has not granted to a Third Party, and FIBROGEN is not under any obligation to grant a Third Party, any rights under the Licensed Technology in the Territory or otherwise assign or license to any Third Party any rights to Patent Rights or Know-How that would otherwise constitute the Licensed Technology;

(b) The FIBROGEN Patents listed on Exhibit B constitute all of the Patent Rights Controlled by FIBROGEN as of the Second Restated License Execution Date that are necessary or reasonably useful for the Exploitation of the Product(s) in the Field in the Territory, and to FIBROGEN's knowledge, the Know-How set forth in Exhibit A constitutes all of the Know-How Controlled by FIBROGEN as of the Second Restated License Execution Date necessary or reasonably useful for the Exploitation of the Product(s) in the Field in the Territory;

(c) The inventors named in each FIBROGEN Patent have each assigned to FIBROGEN their respective entire right, title and interest in and to such FIBROGEN Patent. The Patent Rights listed on Exhibit B are not subject to any liens or encumbrances. None of the FIBROGEN Patents are in-licensed by FIBROGEN. No patent application or registration within the FIBROGEN Patents is the subject of any pending interference, opposition, cancellation or patent protest pursuant to 37 C.F.R. §1.291 (or any non-U.S. equivalent) unless otherwise noted on Exhibit B. To FIBROGEN's knowledge, the FIBROGEN Patents are, or, upon issuance, will be, valid and enforceable;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(d)To FIBROGEN's knowledge, except in relation to the patent listed on Exhibit E, the Exploitation of the Licensed Technology as contemplated under this Agreement, (i) does not and will not infringe any issued patent of any Third Party or misappropriate any Know-How or other intellectual property of any Third Party and (ii) will not infringe the claims of any Third Party patent application when and if such claims were to issue in their current form. FIBROGEN has no knowledge of any claim or litigation that has been brought or threatened in writing by any Third Party alleging that the FIBROGEN Patents are invalid or unenforceable or that the Exploitation of the Products in the Field infringes or misappropriates or would infringe or misappropriate any right of any Third Party;

(e)FIBROGEN has complied with all Laws applicable to the prosecution and maintenance of the FIBROGEN Patents and FIBROGEN and its subcontractors have complied with all Laws applicable to the research, development and manufacture of the Products;

(f)All information with respect to this Agreement provided by or on behalf of FIBROGEN to ELUMINEX, its Affiliates, or its or their respective agents or representatives prior to the Effective Date was and is true, accurate and complete in all material respects;

(g)No funding, facilities, or personnel of any Governmental Authority or any public or private educational or research institutions were used to develop or create any Licensed Technology and neither FIBROGEN nor any of its Affiliates has entered into a government funding relationship that would result in rights to any Products residing in the U.S. Government, the National Institutes of Health, or other government agency, and the licenses granted hereunder are not subject to overriding obligations to the U.S. Government as set forth in 35 U.S.C. §§ 200 et seq., or any similar obligations under the Laws of any other country in the Territory.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 8.4 Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS ARTICLE 8, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND UNDER THIS AGREEMENT, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, OR VALIDITY OF PATENT CLAIMS. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION MADE OR WARRANTY GIVEN BY EITHER PARTY THAT EITHER PARTY WILL BE SUCCESSFUL IN OBTAINING ANY PATENT RIGHTS, OR THAT ANY PATENTS WILL ISSUE BASED ON A PENDING APPLICATION. WITHOUT LIMITING THE RESPECTIVE RIGHTS AND OBLIGATIONS OF THE PARTIES EXPRESSLY SET FORTH HEREIN, EACH PARTY SPECIFICALLY DISCLAIMS ANY GUARANTEE THAT ANY PRODUCTS WILL BE SUCCESSFUL, IN WHOLE OR IN PART. EXCEPT AS EXPRESSLY PROVIDED HEREIN, FIBROGEN DISCLAIMS ANY WARRANTY WITH RESPECT TO THE LICENSED TECHNOLOGY, THE INVENTION(S) CLAIMED IN THE FIBROGEN PATENTS OR WITH RESPECT TO THE FIBROGEN PATENTS THEMSELVES, INCLUDING BUT NOT LIMITED TO, ANY REPRESENTATIONS OR WARRANTIES ABOUT (I) THE VALIDITY, SCOPE OR ENFORCEABILITY OF ANY OF THE FIBROGEN PATENTS; (II) THE ACCURACY, SAFETY OR USEFULNESS FOR ANY PURPOSE OF ANY INFORMATION PROVIDED BY FIBROGEN TO ELUMINEX WITH RESPECT TO THE INVENTION(S) CLAIMED IN THE FIBROGEN PATENTS OR WITH RESPECT TO THE FIBROGEN PATENTS THEMSELVES AND ANY PRODUCTS DEVELOPED FROM OR COVERED BY THEM; (III) WHETHER THE PRACTICE OF ANY CLAIM CONTAINED IN ANY OF THE FIBROGEN PATENTS WILL OR MIGHT INFRINGE A PATENT OR OTHER INTELLECTUAL PROPERTY RIGHT OWNED OR LICENSED BY A THIRD PARTY; (IV) THE PATENTABILITY OF ANY INVENTION CLAIMED IN THE FIBROGEN PATENTS; OR (V) THE SAFETY OR USEFULNESS FOR ANY PURPOSE OF THE LICENSED TECHNOLOGY OR ANY PRODUCT OR PROCESS MADE OR CARRIED OUT IN ACCORDANCE WITH OR THROUGH THE USE OF THE FIBROGEN PATENTS.

ARTICLE 9
INDEMNIFICATION

Section 9.1 Indemnity.

9.1.1 By ELUMINEX. ELUMINEX agrees to defend FIBROGEN and its directors, officers, employees and agents (the "**FIBROGEN Indemnified Parties**") [*], and shall indemnify and hold FIBROGEN and the other FIBROGEN Indemnified Parties harmless from and against any claims, losses, costs, damages, fees or expenses (including legal fees and expenses) (collectively, "**Losses**") to the extent resulting from any Third Party claim (including product liability claims) arising out of or otherwise relating to [*], except to the extent such Losses arise out of any claim for which FIBROGEN has an obligation to indemnify ELUMINEX under Section 9.1.2.

9.1.2 By FIBROGEN. FIBROGEN agrees to defend ELUMINEX and its Affiliates and its and their respective directors, officers, employees and agents (the "**ELUMINEX Indemnified Parties**") [*], and shall indemnify and hold ELUMINEX and the other ELUMINEX Indemnified Parties harmless from and against any Losses, to the extent resulting from any Third Party claim (including product liability claims) arising out of or otherwise relating to [*], except to the extent such Losses arise out of any claim for which ELUMINEX has an obligation to indemnify FIBROGEN under Section 9.1.1.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

9.1.3 Indemnification Procedures. In the event of any claim against the FIBROGEN Indemnified Parties or the ELUMINEX Indemnified Parties (as applicable) by a Third Party, the indemnity obligations set forth in Sections 9.1.1 and 9.1.2 shall be conditioned upon (x) the indemnified Party promptly notifying the indemnifying Party in writing of the claim [*] and (y) the indemnified Party granting the indemnifying Party sole management and control, [*], over the defense of the claim and its settlement [*], and (z) the FIBROGEN Indemnified Parties or ELUMINEX Indemnified Parties, as applicable, cooperating with indemnifying Party [*]. If, based on the reasonable advice of counsel to the FIBROGEN Indemnified Parties or ELUMINEX Indemnified Parties (as applicable), the FIBROGEN Indemnified Parties or ELUMINEX Indemnified Parties have separate defenses from indemnifying Party or there is a conflict of interest between the FIBROGEN Indemnified Parties or ELUMINEX Indemnified Parties (as applicable) and indemnifying Party, then the FIBROGEN Indemnified Parties or ELUMINEX Indemnified Parties, as applicable, shall be permitted, [*], to retain counsel of its choosing to represent them in such action or proceeding.

Section 9.2 LIMITATION OF DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE HEREUNDER TO THE OTHER PARTY FOR ANY PUNITIVE, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST REVENUE, LOST PROFITS, OR LOST SAVINGS) HOWEVER CAUSED AND UNDER ANY THEORY, EVEN IF IT HAS NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. THE LIMITATIONS SET FORTH IN THIS SECTION 9.2 SHALL NOT APPLY WITH RESPECT TO (A) ANY BREACH OF ARTICLE 10, (B) THE INTENTIONAL MISCONDUCT, FRAUD OR GROSS NEGLIGENCE OF A PARTY, OR (C) THE INDEMNIFICATION OBLIGATIONS OF THE PARTIES UNDER THIS ARTICLE 9.

Section 9.3 Insurance. At least [*] prior to the Initiation of any Clinical Trial by or on behalf of ELUMINEX or its Affiliates, ELUMINEX shall [*] procure and maintain, during the Term and [*] thereafter, [*] insurance coverage [*]. Additionally, at least [*] prior to the First Commercial Sale of a Product, ELUMINEX shall [*] procure and maintain [*] product liability insurance coverage [*]. Such insurance shall not be construed to create a limit of ELUMINEX's liability with respect to its indemnification obligations under this Article 9. ELUMINEX shall provide FIBROGEN with a certificate of insurance or other evidence of such insurance, upon request. ELUMINEX shall provide FIBROGEN with written notice at least [*] prior to the cancellation, non-renewal or a material change in such insurance which materially adversely affects the rights of FIBROGEN hereunder.

ARTICLE 10
CONFIDENTIALITY

Section 10.1 Confidential Information.

10.1.1 Confidential Information. Each Party (the "**Disclosing Party**") may disclose to the other Party (the "**Receiving Party**"), and Receiving Party may acquire during the course and conduct of activities under this Agreement, certain proprietary or confidential information of Disclosing Party in connection with this Agreement. The term "**Confidential Information**" shall mean [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

10.1.2Restrictions. During the Term and for [*] thereafter, the Receiving Party shall keep all of the Disclosing Party's Confidential Information in confidence with the same degree of care with which the Receiving Party holds its own confidential information (but in no event less than a commercially reasonable degree of care). The Receiving Party shall not use the Disclosing Party's Confidential Information except in connection with the performance of its obligations and exercise of its rights under this Agreement. Notwithstanding the foregoing, the Receiving Party has the right to disclose the Disclosing Party's Confidential Information without the Disclosing Party's prior written consent, solely to the extent reasonably necessary, to the Receiving Party's Affiliates and its and their respective employees, subcontractors, consultants or agents who have a need to know such Confidential Information in order to perform its obligations and exercise its rights under this Agreement and who are bound by written obligations of non-disclosure and non-use at least as stringent as those set forth in this Article 10. The Receiving Party shall use diligent efforts to cause those entities and persons to comply with such restrictions on use and disclosure. The Receiving Party assumes responsibility for those entities and persons maintaining the Disclosing Party's Confidential Information in confidence and using same only for the purposes described herein.

10.1.3Exceptions. The Receiving Party's obligation of nondisclosure and the limitations upon the right to use the Disclosing Party's Confidential Information shall not apply to the extent that the Receiving Party can demonstrate that the Disclosing Party's Confidential Information: (a) was known to the Receiving Party or any of its Affiliates prior to the time of disclosure; (b) is or becomes public knowledge through no fault or omission of the Receiving Party or any of its Affiliates or Persons to whom the Receiving Party has provided the information in accordance with Section 10.1.2; (c) is obtained by the Receiving Party or any of its Affiliates from a Third Party under no obligation of confidentiality to the Disclosing Party; or (d) has been independently developed by employees, subcontractors, consultants or agents of the Receiving Party or any of its Affiliates without the aid, use or application of, or reference to, the Disclosing Party's Confidential Information, as evidenced by contemporaneous written records.

10.1.4Permitted Disclosures. The Receiving Party may disclose the Disclosing Party's Confidential Information to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:

(a)in order to comply with applicable Laws (including any securities law or regulation or the rules of a securities exchange) or with a legal or administrative proceeding;

(b)in connection with prosecuting or defending litigation, Regulatory Approvals and other Regulatory Filings and communications, and filing, prosecuting and enforcing Patent Rights in connection with the Receiving Party's rights and obligations pursuant to this Agreement; and

(c)in connection with exercising its rights hereunder, to its Affiliates; potential and future collaborators (including Sublicensees where ELUMINEX is the Receiving Party); potential and permitted acquirers or assignees; potential investment bankers, investors and lenders; and the professional advisors of the foregoing;

provided, *however*, [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 10.2 Terms of this Agreement; Publicity.

10.2.1 Restrictions. The Parties agree that the terms of this Agreement shall be treated as Confidential Information of both Parties, and thus may be disclosed only as permitted by Section 10.1.4. Notwithstanding the foregoing, the Parties shall issue a joint press release in form and substance materially similar to Exhibit F at a time mutually agreed (the "**Joint Press Release**"). Except as required by Law or as mutually agreed upon by the Parties, each Party agrees not to issue any Release (other than the Joint Press Release) disclosing information relating to this Agreement or the transactions contemplated hereby or the terms hereof without the prior written consent of the other Party [*]. Either Party may subsequently publicly disclose any information previously contained in any Release, *provided* that the other Party initially provided its written consent thereto as stated in Section 10.2.1.

10.2.2 Review. Notwithstanding Section 10.2.1, in the event either Party (the "**Issuing Party**") desires to issue a press release or other public statement disclosing information relating to this Agreement or the transactions contemplated hereby or the terms hereof other than the Joint Press Release, the Issuing Party shall provide the other Party (the "**Reviewing Party**") with a copy of the proposed press release or public statement (the "**Release**"). The Issuing Party shall specify with each such Release, taking into account the urgency of the matter being disclosed, a reasonable period of time within which the Reviewing Party may provide any comments on such Release (*). If the Reviewing Party provides any comments, the Parties shall consult on such Release and work in good faith to prepare a mutually acceptable Release. For the avoidance of doubt (and notwithstanding anything contained in this Agreement to the contrary), ELUMINEX, in its sole discretion, may make disclosures relating to the development or commercialization of the Product(s) conducted by or on behalf of ELUMINEX, including the results of research and any Clinical Trial conducted by or on behalf of ELUMINEX or any health or safety matter related to the Product(s).

Section 10.3 Publications.

10.3.1 Right to Publish. Subject to the provisions of Sections 10.1, 10.2 and 10.3.2, ELUMINEX shall have the right to publish with respect to Products research results achieved by or on behalf of ELUMINEX in scientific publications, and to make scientific presentations for such research results on Products.

10.3.2 Review. Except as required by Law or court order, for any proposed publication or presentation regarding a Product, ELUMINEX: (a) shall transmit a copy of the proposed publication for review and comment to FIBROGEN at least [*] prior to the submission of such publication to a Third Party if such publication includes, incorporates or is related to any Licensed Technology or Know-How Product IP; and (b) upon request of FIBROGEN, shall [*].

Section 10.4 Attorney-Client Privilege. Neither Party is waiving, nor will be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges recognized under the applicable Laws of any jurisdiction as a result of disclosing information pursuant to this Agreement, or any of its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties may become joint defendants in proceedings to which the information covered by such protections and privileges relates and may determine that they share a common legal interest in disclosure between them that is subject to such privileges and protections, and in such event, may enter into a joint defense agreement setting forth, among other things, the foregoing principles but are not obligated to do so.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

ARTICLE 11
TERM AND TERMINATION

Section 11.1 Term. This Agreement shall be effective, unless earlier terminated pursuant to this Article 11, until it expires as follows (the "**Term**"): (a) on a Product-by-Product and country-by-country (or region-by-region) basis on the date of the expiration of the last applicable Royalty Term for such Product in such country or region, and (b) [*]. On a Product-by-Product and country-by-country (or region-by-region) basis, upon the expiration (but not earlier termination) of this Agreement, the License shall become exclusive, transferable, sublicensable (through multiple tiers of Sublicensees), fully paid-up, royalty-free, irrevocable and perpetual.

Section 11.2 Termination.

11.2.1 Breach.

(a) Each Party shall have the right to terminate this Agreement in full in the event that the other Party materially breaches a material term of this Agreement, and such breach is not cured by the date that is [*] after written notice thereof is provided to the breaching Party by the non-breaching Party, such notice describing the alleged material breach in sufficient detail to put the breaching Party on notice. The foregoing [*] cure period shall be shortened to [*] for breaches that consist of a failure to pay undisputed amounts as and when due hereunder; *provided* that, if the applicable breach is not reasonably capable of cure within such [*] period, but is capable of cure within [*] from such notice, the breaching Party may submit, within [*] of such notice, a reasonable cure plan to remedy such breach as soon as possible and in any event prior to the end of such [*] period, and, upon such submission, the [*] cure period shall be automatically extended for so long as the breaching Party continues to use diligent efforts to cure such breach in accordance with the cure plan (but in no event, for longer than [*]. Any termination of this Agreement under this Section 11.2.1 shall become effective at the end of the applicable cure period, unless the breaching Party has cured such breach prior to the expiration of such cure period.

(b) If a Party disputes in good faith the existence or materiality of a breach specified in a notice provided by the other Party pursuant to Section 11.2.1(a), and the breaching Party provides notice to the other Party of such dispute within the applicable cure period, the breaching Party may require the CEO Delegates to meet and confer in good faith to resolve such breach condition. The CEO Delegates of the Parties shall, as soon as reasonably practicable, after a notice of such dispute, meet and confer in good faith regarding such dispute at such time and place as mutually agreed upon by the Parties. If the CEO Delegates are unable to resolve such dispute within [*] from the date on which such delegates initially considered such issue, then either Party may elect to initiate formal dispute resolution proceedings in accordance with Section 12.5. It is understood and acknowledged that during the pendency of such a dispute, [*].

11.2.2 Termination Upon Bankruptcy. Subject to applicable Law and Section 12.2, either Party may terminate this Agreement if, at any time, the other Party shall (a) file in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of its assets, (b) propose a written agreement of composition or extension of its debts, (c) be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition has not been dismissed within [*] after the filing thereof, (d) propose or be a party to any dissolution or liquidation, (e) make an assignment for the benefit of its creditors or (f) admit in writing its inability generally to meet its obligations as they fall due in the general course.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 11.3 Effects of Termination. Upon termination of this Agreement by either Party under Section 11.2, the following effects of termination shall occur with respect to the entire Agreement, the costs and expenses in relation to the effects listed in Section 11.3(c) and Section 11.3(e) shall be borne [*]:

(a) all rights and licenses granted by the Parties in Article 2 shall terminate, and [*];

(b) at FIBROGEN's election, ELUMINEX shall [*] in accordance with the [*] Agreement;

(c) ELUMINEX shall, to the extent permitted by applicable Law, [*];

(d) upon the reasonable request by any Sublicensee of ELUMINEX under Section 2.2, FIBROGEN shall enter into a new license agreement pursuant to which FIBROGEN would grant a license directly to such Sublicensee, [*]; *provided* that, [*];

(e) Notwithstanding the foregoing, if a Clinical Trial of a Product has been Initiated by ELUMINEX, its Affiliates, or its or their Sublicensees at the time of termination, the terms of this Agreement shall continue to apply as necessary to accomplish a safe and orderly wind-down of the Clinical Trial.

Section 11.4 Material Breach by FIBROGEN. In the event ELUMINEX provides a written notice of FIBROGEN's alleged material breach of this Agreement pursuant to Section 11.2.1(a), FIBROGEN disputes in good faith the existence or materiality of the breach specified in such notice, and either Party elects to initiate formal dispute resolution proceedings in accordance with Section 12.5 with respect to such Dispute pursuant to Section 11.2.1(b), ELUMINEX may, notwithstanding the last sentence of Section 11.2.1(b), from and after the date on which the formal dispute resolution proceedings are initiated (the "**Arbitration Date**"), [*] until resolution of such Dispute through arbitration pursuant to Section 12.5. [*] shall each be decided by the arbitral tribunal in accordance with Section 12.5.

Section 11.5 Survival. In addition to the termination consequences set forth in Section 11.3, the following provisions shall survive termination or expiration of this Agreement: [*]. Termination or expiration of this Agreement are neither Party's exclusive remedy and shall not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. All other rights and obligations shall terminate upon termination or expiration of this Agreement.

ARTICLE 12
MISCELLANEOUS

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 12.1 Entire Agreement; Amendment. This Agreement and all Exhibits attached to this Agreement constitute the entire agreement between the Parties as to the subject matter hereof. All prior and contemporaneous negotiations, representations, warranties, agreements, statements, promises and understandings with respect to the subject matter of this Agreement are hereby superseded and merged into, extinguished by and completely expressed by this Agreement. Neither of the Parties shall be bound by or charged with any written or oral agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement. No amendment, supplement or other modification to any provision of this Agreement shall be binding unless in writing and signed by both Parties specifically referencing this Agreement.

Section 12.2 Section 365(n) of the Bankruptcy Code. All rights and licenses granted under or pursuant to any section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code to the extent permitted thereunder. The Parties shall retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code. Upon the bankruptcy of any Party, the non-bankrupt Party shall further be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property, and such, if not already in its possession, shall be promptly delivered to the non-bankrupt Party, unless the bankrupt Party elects to continue, and continues, to perform all of its obligations under this Agreement.

Section 12.3 Independent Contractors. The relationship between ELUMINEX and FIBROGEN created by this Agreement is solely that of independent contractors. This Agreement does not create any agency, distributorship, employee-employer, partnership, joint venture or similar business relationship between the Parties, including for tax purposes. Neither Party is a legal representative of the other Party, and neither Party can assume or create any obligation, representation, warranty or guarantee, express or implied, on behalf of the other Party for any purpose whatsoever. Each Party shall use its own discretion and shall have complete and authoritative control over its employees and the details of performing its obligations under this Agreement.

Section 12.4 Governing Law; Jurisdiction. This Agreement and its effect are subject to and shall be construed and enforced in accordance with the law of the State of New York, without regard to its conflicts of laws principles, except as to any issue which depends upon the validity, scope or enforceability of any FIBROGEN Patent, which issue shall be determined in accordance with the laws of the country in which such patent was issued or such patent application sought for patent protection.

Section 12.5 Dispute Resolution. The Parties recognize that a dispute may arise relating to this Agreement (a "**Dispute**"). Any Dispute, including Disputes that may involve the Affiliates of any Party, shall be resolved in accordance with this Section 12.5.

12.5.1 Any claim, Dispute, or controversy as to the breach, enforcement, interpretation or validity of this Agreement shall first be referred to the CEO Delegates for attempted resolution. In the event the CEO Delegates are unable to resolve such Dispute within [*] of such Dispute being referred to them, then, upon the written request of either Party to the other Party, the Dispute shall be submitted by either Party for resolution in arbitration under the Rules of Arbitration of the International Chamber of Commerce. There shall be [*]. The seat of arbitration shall be in [*], and the language of the proceedings shall be [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

12.5.2 The Parties agree that any award or decision made by the arbitral tribunal shall be final and binding upon them and may be enforced in the same manner as a judgment or order of a court of competent jurisdiction. The arbitral tribunal shall render its final award within [*] from the date on which the request for arbitration by one of the Parties wishing to have recourse to arbitration is received by the ICC Secretariat. The arbitral tribunal shall determine the dispute by applying the provisions of this Agreement and the governing law set forth in Section 12.4.

12.5.3 By agreeing to arbitration, the Parties do not intend to deprive any court located in [*] of its jurisdiction to issue, at the request of a Party, a pre-arbitral injunction, pre-arbitral attachment or other order to avoid irreparable harm, maintain the status quo, preserve the subject matter of the Dispute, or aid the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional or interim remedies in aid of arbitration as may be available under the jurisdiction of a competent court located in [*], the arbitral tribunal shall have full authority to grant provisional or interim remedies and to award damages for the failure of any Party to the Dispute to respect the arbitral tribunal's order to that effect.

12.5.4 [*].

12.5.5 Each Party shall [*] arising out of the arbitration, and shall pay [*]; provided, however, [*].

12.5.6 Nothing in this Section 12.5 shall affect either Party's ability to pursue equitable relief pursuant to Section 12.15.

Section 12.6 Notice. All notices or communication required or permitted to be given by either Party hereunder shall be deemed sufficiently given if (i) mailed by registered mail or certified mail, return receipt requested, (ii) sent by overnight courier, such as Federal Express, or (iii) sent by electronic mail, in each case to the other Party at its address set forth below or to such other address as one Party shall give notice of to the other Party from time to time pursuant to this Section 12.6. Mailed notices shall be deemed to be received on [*] following the date of mailing. Notices sent by overnight courier shall be deemed to be received [*] after sending. Electronic mail notices shall be deemed to be received upon [*].

If to ELUMINEX:
[*]

With a copy, which shall not constitute notice to:
[*]

If to FIBROGEN:
[*]

With a copy to:
[*]

With a copy, which shall not constitute notice to:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

[*]

Section 12.7 Compliance with Law; Severability. Nothing in this Agreement shall be construed to require the commission of any act contrary to applicable Law. If any one or more provisions of this Agreement is held to be invalid, illegal or unenforceable, the affected provisions of this Agreement shall be curtailed and limited only to the extent necessary to bring it within the applicable legal requirements and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 12.8 Non-Use of Names. FIBROGEN shall not use the name, trademark, logo, or physical likeness of ELUMINEX or any of its officers, directors or employees, or any adaptation of any of them, in any advertising, promotional or sales literature, without ELUMINEX's prior written consent. FIBROGEN shall require its Affiliates to comply with the foregoing. ELUMINEX shall not use the name, trademark, logo, or physical likeness of FIBROGEN or any of its officers, directors or employees, or any adaptation of any of them, in any advertising, promotional or sales literature, without FIBROGEN's prior written consent. ELUMINEX shall require its Affiliates to comply with the foregoing.

Section 12.9 Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein may be assigned by either Party, in whole or in part, without the prior written consent of the other Party, [*] except that either Party shall be free to assign this Agreement, in whole or in part, (a) to an Affiliate of such Party (for so long as such Affiliate remains an Affiliate) provided that [*], or (b) in connection with any merger, consolidation or sale of such Party or sale of all or substantially all of the assets of the Party that relate to this Agreement, without the prior consent of the non-assigning Party; provided, however, any permitted assignment of its obligations or this Agreement in its entirety by FIBROGEN shall not become effective unless and until the Licensed Technology is also assigned in its entirety to the permitted assignee, which will expressly assume performance of FIBROGEN's obligations hereunder. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the Parties. Any assignment of this Agreement in contravention of this Section 12.9 shall be null and void.

Section 12.10 Performance by Affiliates. Notwithstanding Section 12.9, each Party may discharge any obligations and exercise any right hereunder through any of its Affiliates without assigning its rights or obligations or this Agreement to its Affiliates. Each Party will cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. Any breach by a Party's Affiliate of any of such Party's obligations under this Agreement shall be deemed a breach by such Party, [*]. Without limiting the generality of the foregoing, this Agreement is executed by FIBROGEN, INC. for and on behalf of itself and all of its Affiliates, each of which is also a party to this Agreement. FIBROGEN, INC. shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. Any breach by an Affiliate of any of FIBROGEN, INC.'s obligations under this Agreement shall be deemed a breach by FIBROGEN, INC., and ELUMINEX may proceed directly against FIBROGEN, INC. without any obligation to first proceed against FIBROGEN, INC.'s Affiliate.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 12.11 Waivers. A Party's consent to or waiver, express or implied, of any other Party's breach of its obligations hereunder shall not be deemed to be or construed as a consent to or waiver of any other breach of the same or any other obligations of such breaching Party. A Party's failure to complain of any act, or failure to act, by the other Party, to declare the other Party in default, to insist upon the strict performance of any obligation or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, no matter how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder, of any such breach, or of any other obligation or condition. A Party's consent in any one instance shall not limit or waive the necessity to obtain such Party's consent in any future instance and in any event no consent or waiver shall be effective for any purpose hereunder unless such consent or waiver is in writing and signed by the Party granting such consent or waiver.

Section 12.12 No Third Party Beneficiaries. Except as expressly provided with respect to FIBROGEN Indemnified Parties and ELUMINEX Indemnified Parties in Article 9, nothing in this Agreement shall be construed as giving any Person, other than the Parties and their respective Affiliates, successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

Section 12.13 Headings; Exhibits. Article and Section headings used herein are for convenient reference only, and are not a part of this Agreement. All Exhibits are incorporated herein by reference.

Section 12.14 Interpretation. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The term "including" (or cognates thereof) as used herein shall mean including (or the cognate thereof), without limiting the generality of any description preceding such term. The term "will" as used herein means "shall." All references to a "business day" or "business days" in this Agreement means any day other than a day which is a Saturday, a Sunday or any day banks are authorized or required to be closed in Suzhou or San Francisco. The language in all parts of this Agreement shall be deemed to be the language mutually chosen by the Parties. The Parties and their counsel have cooperated in the drafting and preparation of this Agreement, and this Agreement therefore shall not be construed against any Party by virtue of its role as the drafter thereof.

Section 12.15 Equitable Relief. Each Party acknowledges that a breach by it of the provisions of Article 10 may not reasonably or adequately be compensated in damages in an action at law and that such a breach may cause the other Party irreparable injury and damage. By reason thereof, each Party agrees that the other Party is entitled to seek, in addition to any other remedies it may have under this Agreement or otherwise, preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of Article 10 by the other Party; provided, however, that no specification in this Agreement of a specific legal or equitable remedy will be construed as a waiver or prohibition against the pursuing of other legal or equitable remedies in the event of such a breach.

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Section 12.16 Force Majeure. Neither Party shall be held liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for failure or delay in fulfilling or performing any term of this Agreement to the extent, and for so long as, such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, including fire, floods, embargoes, power shortage or failure, acts of war (whether war be declared or not), epidemic or pandemic (including Covid-19), insurrections, riots, terrorism, civil commotions, strikes, lockouts or other labor disturbances, acts of God, or any acts, omissions, or delays in acting by any Governmental Authority or the other Party; provided, however, that the affected Party promptly notifies the other Party in writing (and continues to provide monthly status updates to the other Party for the duration of the effect); and provided further, however, that the affected Party shall [*] avoid or remove such causes of non-performance and to mitigate the effect of such occurrence, and shall continue performance with reasonable dispatch whenever such causes are removed.

Section 12.17 Further Assurances. Each Party shall execute, acknowledge, and deliver such further instructions, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement. Without limiting the generality of the foregoing, [*].

Section 12.18 Counterparts. This Agreement may be executed in counterparts by a single Party, each of which when taken together shall constitute one and the same agreement, and may be executed through the use of facsimiles or .pdf or other electronically transmitted documents.

[Signature page follows]

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Second Restated License Execution Date.

ELUMINEX BIOSCIENCES (SUZHOU) LIMITED

□□□□□□□□□□□□□□□□□

By: /s/ [*]_____
Name: [*]_____
Title: [*]_____

FIBROGEN, INC.

By: /s/ [*]_____
Name: [*]_____
Title: [*]_____

(Del)

FIBROGEN (CHINA) MEDICAL TECHNOLOGY DEVELOPMENT CO., LTD.

□□□□□□□□□□□□□□□□□□

Chop:

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EXHIBIT A

FIBROGEN KNOW-HOW

[*]

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EXHIBIT B

EXISTING FIBROGEN PATENTS
[*]

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EXHIBIT C

EQUIPMENT

[*]

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EXHIBIT D

MANUFACTURE TECHNOLOGY TRANSFER PLAN & INVENTORY
[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

EXHIBIT D

MANUFACTURE TECHNOLOGY TRANSFER PLAN & INVENTORY (CONTINUED)
[*]

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EXHIBIT D

MANUFACTURE TECHNOLOGY TRANSFER PLAN & INVENTORY (CONTINUED)
[*]

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EXHIBIT D

MANUFACTURE TECHNOLOGY TRANSFER PLAN & INVENTORY (CONTINUED)

[*]

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EXHIBIT E

THIRD PARTY PATENT

[*]

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EXHIBIT F

JOINT PRESS RELEASE

See below for the press release from July 19, 2021.

Eluminex Biosciences Exclusively Licenses FibroGen's Biosynthetic Cornea Technology and Recombinant Collagen III Platform

- *Exclusive Global Development and Commercialization Rights for Recombinant Human Collagen-Based Biosynthetic Cornea*
- *Clinical Stage Asset Has Potential for First Approved Biosynthetic Human Cornea*
- *Biosynthetic Cornea Designed to Address Significant Unmet Need in Global Demand for Corneal Grafts for the Treatment of Corneal Blindness*
- *Edward Holland, MD, Joins Eluminex's Scientific Advisory Board*

SUZHOU, China and SAN FRANCISCO, CA, July 19, 2021 / PRNewswire/-- Eluminex Biosciences (Suzhou) Limited (Eluminex), an ophthalmology-focused biotechnology company headquartered in Suzhou, China with a US-subsidiary office in San Francisco Bay Area, California, announced today that it has exclusively licensed global rights for the development and commercialization of an investigational biosynthetic cornea derived from recombinant human collagen Type III intended to treat patients with corneal blindness, from FibroGen, Inc. (FibroGen; NASDAQ: FGEN).

"We are extremely excited to bring this novel technology initially to the China market to help meet a large unmet medical need for an alternative to human donor cornea tissue," commented Dr. Jinzhong ("JZ") Zhang, Chairman and CEO of Eluminex. "Over 100,000 cases of corneal blindness occur each year in China due to scarring from traumatic injury or infection that could be treated with a surgically implanted bioengineered cornea. Typical treatments in China include human donor corneal transplantation or use of corneal tissue harvested from genetically modified pigs. There is a significant shortage of human donor tissue and porcine corneas have issues with a lack of optical clarity and durability, however, and both methods require the need for additional immunosuppressive medications to prevent graft rejection. The biosynthetic cornea, that is optically clear, offers an alternative using human Type III collagen, a key structural protein that is found in normal human corneas and therefore does not require immunosuppressive medications."

Under the terms of the agreement, Eluminex will make an $8 million upfront payment to FibroGen. In addition, FibroGen may receive up to a total of $64 million in future manufacturing, clinical, regulatory, and commercial milestone payments for the biosynthetic cornea program, as well as $36 million in commercial milestones for the first recombinant collagen III product that is not the biosynthetic cornea. FibroGen will also be eligible to receive royalties based upon worldwide net sales.

Eluminex also announced that Edward Holland, M.D., has joined the company's Scientific Advisory Board (SAB). Charles Semba, M.D. and Chief Medical Officer of Eluminex commented, "We are excited to introduce Dr. Edward Holland, Professor of Ophthalmology at the University of Cincinnati and Director of the Cornea Service at the Cincinnati Eye Institute and past Chairman of the Eye Bank Association of America, as the newest member of our SAB. He is an internationally recognized expert in corneal allograft surgery and ocular surface disease. Additionally, over the past three decades, he has taught and lectured in China regarding corneal transplant techniques and will provide us critical insights into our biosynthetic cornea program."

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“The possibility for an abundant global supply of a biosynthetic human corneal tissue substitute has real potential to transform the lives of the hundreds of thousands of patients around the world in regions where corneal donations are scarce and who otherwise are unlikely to receive a sight-saving corneal transplant,” said Dr. Holland.

“We are pleased to enter into this agreement with Eluminex and license this technology to a seasoned ophthalmology team,” said Enrique Conterno, CEO of FibroGen. “This transaction enables FibroGen to focus on development of next generation biopharmaceutical therapies in our core areas of cancer, autoimmune and fibrotic diseases, and anemia.”

About the Eluminex Biosynthetic Cornea Program
The Eluminex biosynthetic cornea (EB-301) is a clinical stage corneal stromal substitute that will be initially developed for the China market. EB-301 is regulated as a Class III medical device and is anticipated to enter a clinical market authorization registration study in China in 2H 2022 to confirm its safety and effectiveness. The corneal device has been implanted in 10 patients in Europe with 4 years of follow-up and has demonstrated excellent biocompatibility, maintenance of optical clarity, and significantly improved visual acuity without immunosuppression. (Fagerholm et al, Biomaterials, 35 (2014): 2420-2427).

About Corneal Blindness in China
According to the World Health Organization, corneal diseases are one of the leading causes of blindness globally. Approximately 180,000 sight-restoring corneal transplantations are performed worldwide in which nearly a quarter are conducted in the United States. China is the largest most populous developing country in the world and corneal diseases are the second leading cause of blindness with an estimated 2-3 million patients with corneal blindness in at least one eye. However, due to the scarcity of donor corneas, only approximately 5000 to 9000 corneal transplants are conducted in China each year. Corneal porcine xenografts have been available in China since 2015 but technical issues remain with the lack of optical clarity and secondary immunologic complications (eg, graft dissolution and graft rejection). An unmet need exists for a suitable corneal stromal tissue replacement as an alternative to the shortage of donated human cornea and an alternative to porcine xenografts.

About Eluminex Biosciences
Eluminex Biosciences is a privately-held clinical-stage biotechnology company focused on both global and regional development and commercialization of innovative therapeutics to fulfill unmet medical needs in the treatment and management of ophthalmic diseases. Eluminex is devoted towards innovating the next generation of first-in-class or best-in-class ocular therapeutics for vision-threatening or lifestyle-limiting ocular diseases. In addition to the biosynthetic cornea (EB-301), Eluminex has developed a pipeline of next generation protein therapeutics for retinal diseases (EB-101, EB-102, EB-105, and EB-107) including age-related macular degeneration, macular edema, and diabetic retinopathy; these assets are wholly owned and developed by Eluminex. The Eluminex global headquarters and research and development center are located in Suzhou BioBay Industrial Park, China with a US-subsidiary located in the San Francisco Bay Area. Eluminex is supported by three premiere global life science venture funds: Lilly Asia Ventures, Hill House Capital, and Quan Capital. For more information, please visit www.eluminexbio.com.

About FibroGen
FibroGen, Inc. is a biopharmaceutical company committed to discovering, developing, and commercializing a pipeline of first-in-class therapeutics. The Company applies its pioneering expertise in hypoxia-inducible factor (HIF) and connective tissue growth factor (CTGF) biology to advance innovative medicines for the treatment of unmet needs. The Company is currently developing and commercializing roxadustat, an oral small molecule inhibitor of HIF prolyl hydroxylase activity, for anemia associated with chronic kidney disease (CKD). Roxadustat is also in clinical development for anemia associated with myelodysplastic syndromes (MDS) and for chemotherapy-induced anemia (CIA). Pamrevlumab, an anti-CTGF human monoclonal antibody, is in clinical development for the treatment of locally advanced unresectable pancreatic cancer (LAPC), Duchenne muscular dystrophy (DMD), and idiopathic pulmonary fibrosis (IPF). For more information, please visit www.fibrogen.com.

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Forward-Looking Statements of FibroGen

This release contains forward-looking statements regarding our strategy, future plans and prospects, including statements regarding the company's product candidates subject to the transaction described above, the potential safety and efficacy profile of the product candidates, their commercial prospects and the incidence and prevalence of possible indications of use for such products and existing treatments. These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations and contentions and are not historical facts and typically are identified by use of terms such as "may," "will", "should," "on track," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" and similar, although some forward-looking statements are expressed differently. Our actual results may differ materially from those indicated in these forward-looking statements due to risks and uncertainties related to the continued progress and timing of our various programs, including the enrollment and results from ongoing and potential future clinical trials, and other matters that are described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and our Quarterly Report on Form 10-Q for quarter ended March 31, 2021 filed with the Securities and Exchange Commission (SEC), including the risk factors set forth therein. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and we undertake no obligation to update any forward-looking statement in this press release, except as required by law.

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EXHIBIT G

Non-Established Markets

[*]

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EXHIBIT H

Patents for Assignment
[*]

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Execution Version

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Exhibit 10.5

FINANCING AGREEMENT

dated as of April 29, 2023

among

FIBROGEN, INC.,
as Borrower,

CERTAIN SUBSIDIARIES OF BORROWER,
as Guarantors,

VARIOUS LENDERS FROM TIME TO TIME PARTY HERETO,

AND

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Administrative Agent

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	5.14	Certain Post Closing Matters
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	6.2	Certain Liens
	6.6	Certain Loans and Advances to Employees
	6.7	Certain Investments
	6.12	Certain Affiliate Transactions
EXHIBITS:	A	Funding Notice
	B	Compliance Certificate
	C	Assignment Agreement
	D	Closing Date Certificate
	E	Solvency Certificate
	F	Counterpart Agreement
	G	U.S. Tax Compliance Certificate

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

FINANCING AGREEMENT

This FINANCING AGREEMENT, dated as of April 29, 2023, is entered into by and among FIBROGEN, INC., a Delaware corporation ("Company" or "Borrower"), and certain Subsidiaries of Borrower, as Guarantors, the Lenders from time to time party hereto, and Wilmington Trust, National Association ("Wilmington Trust"), as administrative agent for the Lenders (in such capacity, "Administrative Agent").

W I T N E S S E T H:

WHEREAS, capitalized terms used in these Recitals shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, Lenders have agreed to extend certain senior secured credit facilities to Company, in an aggregate principal amount not to exceed $150,000,000, consisting of (a) an initial term loan in an aggregate principal amount not exceeding $75,000,000, (b) a committed delayed draw term loan in an aggregate principal amount not exceeding $37,500,000, and (c) an uncommitted delayed draw term loan in an aggregate principal amount up to $37,500,000, in each case, the proceeds of which will be used as described in Section 2.2;

WHEREAS, Company has agreed to secure all of its Obligations by granting to Administrative Agent, for the benefit of Secured Parties, [*]; and

WHEREAS, Guarantors have agreed to guarantee the Obligations of Company hereunder and to secure their respective Obligations by granting to Administrative Agent, for the benefit of Secured Parties, [*].

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"Acquisition" means, with respect to any Person, (a) any direct or indirect purchase or other acquisition by Borrower or any of its Subsidiaries of, or of a beneficial interest in, any of the securities or Capital Stock or all or substantially all of the assets of any other Person (or of any product, division, product line or business line of such other Person) or (b) a Product Acquisition.

"Acquisition Cash Consideration" means, [*]

"Administrative Agent" has the meaning specified in the preamble hereto.

"Administrative Agent Fee Letter" means that certain administrative agent fee letter, dated as of the date hereof, between the Borrower and the Administrative Agent.

"Administrative Agent's Account" means an account at a bank designated by Administrative Agent from time to time as the account into which the Loan Parties shall make all payments to Administrative Agent under this Agreement and the other Loan Documents.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Adverse Proceeding" means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Borrower or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims) or other regulatory body or any mediator or arbitrator, whether pending or, to the knowledge of Borrower or any of its Subsidiaries, threatened in writing against Borrower or any of its Subsidiaries or any property of Borrower or any of its Subsidiaries.

"Affiliate" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or Capital Stock, by contract or otherwise. Notwithstanding anything herein to the contrary, in no event shall Administrative Agent or any Lender or any of their Affiliates or Related Funds be considered an "Affiliate" of any Loan Party.

"Aggregate Amounts Due" has the meaning specified in Section 2.13.

"Aggregate Payments" has the meaning specified in Section 7.2.

"Agreement" means this Financing Agreement and any annexes, exhibits and schedules attached hereto.

"Anti-Corruption Laws" means all Requirements of Law concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, and the anti-bribery and anti-corruption laws and regulations of those jurisdictions in which the Loan Parties do business.

"Anti-Terrorism Laws" means any Requirement of Law relating to terrorism or money laundering, including, without limitation, (a) the Money Laundering Control Act of 1986 (*i.e.*, 18 U.S.C. §§ 1956 and 1957), (b) the Currency and Foreign Transactions Reporting Act (31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959) (the "Bank Secrecy Act"), (c) the USA PATRIOT Act, (d) the laws, regulations and Executive Orders administered by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), (e) the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and implementing regulations by the United States Department of the Treasury, (f) any law prohibiting or directed against terrorist activities or the financing of terrorist activities (*e.g.*, 18 U.S.C. §§ 2339A and 2339B), or (g) any similar laws enacted in the United States or any other jurisdictions in which the parties to this Agreement operate, as any of the foregoing laws may from time to time be amended, renewed, extended, or replaced and all other present and future legal requirements of any Governmental Authority governing, addressing, relating to, or attempting to eliminate, terrorist acts and acts of war and any regulations promulgated pursuant thereto.

"Applicable Rate" means 14.00% (fourteen percent) per annum.

"Applicable Premium" [*]

"Application Event" means the (a) occurrence of an Event of Default and (b) the election by Administrative Agent or the Required Lenders during the continuance of such Event of Default to require that payments and proceeds of Collateral be applied pursuant to Section 2.12(f).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Asset Sale" means a sale, lease or sublease (as lessor or sublessor), sale and leaseback, assignment, conveyance, transfer, license or sublicense or other disposition to (other than to a Loan Party), or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of any Loan Party's businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including, without limitation, the Capital Stock of any Loan Party. For purposes of clarification, "Asset Sale" shall include (a) the sale or other disposition for value of any contracts, (b) any disposition of property through a "plan of division" under the Delaware Limited Liability Company Act or any comparable transaction under any similar law, (c) any sale of accounts (or any rights thereto (including, without limitation, any rights to any residual payment stream with respect thereto)) by any Loan Party or Subsidiary of Borrower, (d) any Product Agreement, (e) any Permitted Product Transaction and (f) any Royalty Monetization Transaction.

Notwithstanding the foregoing, none of the following items will be deemed to be an Asset Sale:

(i) an issuance of Capital Stock by a Subsidiary of Borrower to Borrower or to another Loan Party;

(ii) an issuance of Capital Stock by Borrower;

(iii) use or transfer of Cash or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;

(iv) the non-exclusive licensing or sublicensing alone, of any Intellectual Property Rights in the ordinary course of business which does not materially interfere with the ordinary conduct of the business of Borrower or any of its Subsidiaries and which is otherwise permitted under this Agreement (provided and for the avoidance of doubt that (x) any exclusive or co-exclusive license or other arrangement with respect to any Intellectual Property Rights, (y) any Permitted Product Transaction and (z) Royalty Monetization Transaction shall be deemed to be an Asset Sale); and

(v) the lease, assignment or sublease of any real or personal property (other than any Intellectual Property Rights or any property pursuant to a Permitted Product Transaction or Royalty Monetization Transaction) in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of Borrower or any of its Subsidiaries and which is otherwise permitted under this Agreement.

"Assignment Agreement" means an Assignment and Assumption Agreement substantially in the form of Exhibit C, with such amendments or modifications as may be approved by Administrative Agent.

"AstraZeneca" means AstraZeneca AB.

"AstraZeneca China Agreement" means that certain Second Amended and Restated License, Development and Commercialization Agreement by and between AstraZeneca and FibroGen China Anemia Holdings, Ltd., FibroGen (China) Medical Technology Development Co., Ltd., and FibroGen International (Hong Kong) Limited, dated July 1, 2020.

"Astellas" means Astellas Pharma Inc., a Japanese corporation with a principal place of business at 3-11 Nihonbashi-Honcho, 2-Chome, Chuo-ku, Tokyo, 103-8411 Japan.

"Astellas Agreements" means, collectively, the Astellas EMEA Agreement and the Astellas Japan Agreement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Astellas EMEA Agreement" means (a) that certain Anemia License and Collaboration Agreement by and between Astellas Pharma Inc. and the Borrower, dated April 28, 2006, as amended and supplemented by that certain Amendment to Anemia License and Collaboration Agreement, dated August 31, 2006, that certain Amendment No. 2 to Anemia License and Collaboration Agreement, dated December 1, 2006, that Supplement to Anemia License and Collaboration Agreement, dated April 28, 2006 and that certain Amendment No. 3 to Anemia License and Collaboration Agreement, dated May 10, 2012, and as may be further amended from time to time, and (b) Astellas EU Agreement.

"Astellas EU Agreement" means that certain Astellas EU Supply Agreement by and between FibroGen, Inc and Astellas Pharma Europe Ltd., dated January 1, 2021.

"Astellas Japan Agreement" means that certain Collaboration Agreement by and between Astellas Pharma Inc. and the Borrower dated June 1, 2005, as amended January 1, 2013, and as may be further amended from time to time.

"Astellas Royalty Agent" means NQ Project Phoebus, L.P., a Delaware limited partnership.

"Astellas Royalty Transaction" means the Royalty Monetization Transaction in respect of the revenues from the sales of Roxadustat in the Astellas Territory.

"Astellas Royalty Transaction Agreement" means that certain Revenue Interest Financing Agreement between the Borrower and the Astellas Royalty Agent, dated as of November 4, 2022.

"Astellas Termination Fee" means [*]

"Astellas Territory" has the meaning ascribed to the term "Territory" in the Astellas Royalty Transaction Agreement.

"Authorized Officer" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), director, chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person's chief financial officer or treasurer.

"Available Equity Proceeds" means [*]

[*]

"Bank Secrecy Act" has the meaning specified in the definition of "Anti-Terrorism Laws".

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Base Rate" means, [*]

"Beneficiary" means Administrative Agent and each Lender.

"Blocked Person" means any Person: (a) that is publicly identified (i) on the most current list of "Specially Designated Nationals and Blocked Persons" published by OFAC or as residing, organized or chartered, or having a place of business in a country or territory, that is the target of an OFAC embargo program or (ii) as prohibited from doing business with the United States under the International Emergency Economic Powers Act, the Trading With the Enemy Act, or any other Anti-Terrorism Law; (b) that is owned or controlled by, or that owns or controls, or that is acting for or on behalf of, any Person described in clause (a) above; (c) which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; and (d) that is affiliated or associated with a Person described in clauses (a), (b), or (c) above.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Board of Directors" means, (a) with respect to any corporation or company, the board of directors of the corporation, company or any committee thereof duly authorized to act on behalf of such board, (b) with respect to a partnership, the board of directors of the general partner of the partnership, (c) with respect to a limited liability company, the managing member or members or any controlling committee or board of directors of such company or the sole member or the managing member thereof, and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

"Borrower" has the meaning specified in the preamble hereto and is interchangeable with the term "Company".

"Borrower Materials" has the meaning specified in Section 10.1(b)(iii).

"Business Day" means any day that is not a Saturday, Sunday, or any other day which is a federal holiday or any day on which banking institutions located in New York, New York are authorized or obligated to remain closed.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (a) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (b) as lessee which is a transaction of a type commonly known as a "synthetic lease" (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended to be treated as payments of principal and interest on a loan for income tax purposes).

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a company or a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, shares, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing; provided that Capital Stock shall exclude debt securities and other Indebtedness convertible into or exchangeable for any of the foregoing (including without limitation, Permitted Convertible Indebtedness).

"Cash" means money, currency or a credit balance in any demand or Deposit Account.

"Cash Equivalents" means, as at any date of determination, (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government, or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date, (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A 1 from S&P or at least P 1 from Moody's, (c) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A 1 from S&P or at least P 1 from Moody's, (d) certificates of deposit or bankers' acceptances maturing within one year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator), and (ii) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000, (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than $500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's, and (f) other Investments described in Borrower's investment policy [*].

"Cayman Share Mortgages" means, [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Change of Control" means, at any time, any of the following occurrences:

(a) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) (i) shall have acquired beneficial ownership of [*] on a fully diluted basis of the voting and/or economic interest in the securities or Capital Stock of Borrower or (ii) shall have obtained the power (whether or not exercised) to elect a majority of the members of the Board of Directors (or similar governing body) of Borrower; provided that for purposes of this provision, any Person or group shall not be deemed to beneficially own Capital Stock to be acquired by such Person or group pursuant to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Capital Stock in connection with the transactions contemplated;

(b) a sale or exclusive license of all or substantially all of the assets of the Borrower and its Subsidiaries (other than pursuant to a Permitted Product Transaction expressly permitted hereunder); or

(c) any "change of control" or similar event shall occur under, and as defined in or set forth in the documents evidencing or governing the "Capital Stock" of Borrower, any agreement evidencing ant Royalty Monetization Transaction or any Permitted Convertible Indebtedness [*], in each case to the extent it would result in any repayment or payment obligation by Borrower or any of its Subsidiaries in connection with such event.

"China" means the People's Republic of China.

"China Equity Pledge" means the pledge over equity shares to be executed in accordance with Section 5.14 by FibroGen International (Hong Kong) Limited, as pledgor, and for the purpose of pledging its Capital Stock in FibroGen (China) Medical Technology Development Co., Ltd. (□□□(□□)□□□□□□□□□□) in favor of Administrative Agent, for the benefit of the Secured Parties, securing the Secured Obligations (as defined in the China Equity Pledge) and delivered to Administrative Agent.

"Chinese Subsidiary" means any Subsidiary incorporated or organized under the laws of China or any political subdivision thereof.

"Closing Date" means the date on which this Agreement becomes effective, which is April 29, 2023.

"Closing Date Certificate" means a Closing Date Certificate substantially in the form of Exhibit D.

"Collateral" means, collectively, all of the real, personal and mixed property (including Capital Stock) and all interests therein and proceeds thereof now owned or hereafter acquired by any Loan Party upon which a Lien is granted or purported to be granted by such Loan Party in favor of the Administrative Agent pursuant to the Collateral Documents as security for the Obligations; provided, however, the Collateral shall not include any Excluded Property.

"Collateral Documents" means the Pledge and Security Agreement, any Control Agreement, any Mortgages, the Hong Kong Collateral Agreement, the Hong Kong Share Charge, the Cayman Share Mortgages and the China Equity Pledge and all other instruments, documents and agreements delivered by any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to grant to Administrative Agent, for the benefit of Secured Parties, a Lien on any real, personal or mixed property of that Loan Party as security for the Obligations, in each case, as such Collateral Documents may be amended or otherwise modified from time to time.

"Combination Patent" is defined in the definition of "Platform Intellectual Property". As of the Closing Date, the Borrower and its Subsidiaries do not have any Combination Patents.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Commercialize" means any and all activities directed to the manufacturing, distribution, marketing, detailing, promotion, selling and securing of reimbursement of a Product (including the using, importing, selling and offering for sale of such Product), and shall include post-marketing approval studies to the extent required by a Governmental Authority, post-launch marketing, promoting, detailing, distributing, selling such Product, importing, exporting or transporting such Product for sale, and regulatory compliance with respect to the foregoing. When used as a verb, "Commercialize" shall mean to engage in Commercialization. Except with respect to post-marketing approval studies required by a Governmental Authority, Commercialization shall not include any activities directed to the research or development (including pre-clinical and clinical development) or manufacture of a Product.

"Common Stock" means Borrower's common stock.

"Company" has the meaning specified in the preamble hereto and is interchangeable with the term "Borrower".

"Competing Product" means, with respect to any Product (Core), any other pharmaceutical product (in any form, presentation, dose or formulation, whether used as a single agent or in combination with other therapeutically active agents) that Company or any of its Subsidiaries has rights to that is being (i) researched primarily for the purpose of any labeled or intended indication for use that overlaps in any respect with such Product (Core) or (ii) developed, manufactured, used or Commercialized in any labeled or intended indication for use that overlaps in any respect with such Product (Core).

"Compliance Certificate" means a Compliance Certificate substantially in the form of Exhibit B.

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

"Consolidated Net Income" means, for any period, the aggregate of the net income of the Loan Parties calculated in accordance with GAAP for such period, on a consolidated basis.

"Consolidated Total Assets" means, at any date, total assets of the Loan Parties calculated in accordance with GAAP on a consolidated basis as of such date determined on a pro forma basis.

"Consolidated Total Cash" means, at any date of determination, total Qualified Cash as of such date, which, in connection with any determination under the definition of Permitted Acquisition, shall be determined on a pro forma basis, after giving effect to the applicable Permitted Acquisition, and in each case as certified by the chief financial officer (or other financial officer with similar responsibilities) of Borrower to Administrative Agent.

"Contractual Obligation" means, as applied to any Person, any provision of any security issued by that Person or of any indenture, mortgage, deed of trust, contract (including, but not limited to, any Material Contract), undertaking, agreement, license or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Control Agreement" means a control agreement, in form and substance reasonably satisfactory to Administrative Agent, executed and delivered by the applicable Loan Party, Administrative Agent, and the applicable securities intermediary (with respect to a Securities Account) or bank (with respect to a Deposit Account).

"Counterpart Agreement" means a Counterpart Agreement substantially in the form of Exhibit F delivered by a Loan Party pursuant to Section 5.10.

"Credit Date" means the date of a Credit Extension.

"Credit Extension" means the making of a Loan.

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Data" means customer lists, correspondence, data, submissions and licensing and purchasing histories relating to customers of Borrower or any Subsidiary, and all other reports, information and documentation collected or maintained by Borrower or any Subsidiary regarding purchasers of Borrower products and the visitors to websites owned or controlled by Borrower or any of its Subsidiaries.

"Data Protection Laws" means applicable Requirements of Law concerning the protection, privacy or security of Personal Information (including any applicable laws of jurisdictions where the Personal Information was collected or otherwise processed) and other applicable consumer protection laws, and all regulations promulgated thereunder, including, without limitation, HIPAA, the European General Data Protection Regulation (Regulation (EU) 2016/679 as amended and all laws implementing or supplementing it), the United Kingdom General Data Protection Regulation, the California Consumer Privacy Act, and Section 5 of the Federal Trade Commission Act.

"DDTL Funding Date" means (a) with respect to the Delayed Draw Term Loans Tranche A, the date of funding of the Delayed Draw Term Loans Tranche A and (b) with respect to the Delayed Draw Term Loans Tranche B, the date specified in the Tranche B Election Notice, to the extent delivered by the Lenders; provided, that, notwithstanding any provision herein to the contrary, (i) if the Delayed Draw Term Loan Tranche A is funded, then the DDTL Funding Date with respect to the Delayed Draw Term Loan Tranche B will be on the same date as the funding of the Delayed Draw Term Loans Tranche A, and (ii) if the Delayed Draw Term Loan Tranche A is not funded, the DDTL Funding Date with respect to the Delayed Draw Term Loan Tranche B will be no later than August 31, 2023.

"Debtor Relief Law" means the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, winding-up, restructuring, reorganization (including by way of voluntary arrangement, scheme of arrangement or otherwise), administration, provisional supervision, or similar debtor relief law of the United States or other applicable jurisdiction from time to time in effect.

"Default" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"Default Excess" means, [*]

"Default Period" means, [*]

"Default Rate" means [*]

"Defaulted Loan" has the meaning specified in Section 2.17.

"Defaulting Lender" has the meaning specified in Section 2.17.

"Delayed Draw Commitment Period" means [*]

"Delayed Draw Commitment Termination Date" means [*]

"Delayed Draw Funding Milestone" means [*]

"Delayed Draw Term Loan Tranche A Commitment" means the commitment of a Lender to make or otherwise fund the Delayed Draw Term Loan Tranche A. The amount of each Lender's Delayed Draw Term Loan Tranche A Commitment, if any, is set forth on Appendix A-2 or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Delayed Draw Term Loan Tranche A Commitments as of the Closing Date is $37,500,000.

"Delayed Draw Term Loans" means the Term Loans funded on the DDTL Funding Date pursuant to Section 2.1(a)(ii) and, if applicable, Section 2.1(a)(iii).

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"Delayed Draw Term Loans Tranche A" means the Term Loans funded on the DDTL Funding Date pursuant to Section 2.1(a)(ii).

"Delayed Draw Term Loans Tranche B" means the Term Loans funded on the DDTL Funding Date pursuant to Section 2.1(a)(iii)

"Deposit Account" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

"Designated Deferred Consideration Proceeds" means [*]

"Disputes" has the meaning set forth in Section 4.23(d).

"Disqualified Capital Stock" means any Capital Stock that, by its terms (or by the terms of any security or other Capital Stock into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for the scheduled payments of dividends or distributions in cash, or (d) is convertible into or exchangeable for (i) Indebtedness or (ii) any other Capital Stock that would constitute Disqualified Capital Stock, in each case of clauses (a) through (d), prior to the date that is [*] after the Term Loan Maturity Date and other than solely for Qualified Capital Stock or as a result of a change of control, delisting, fundamental change or asset sale (so long as any rights of the holders thereof upon the occurrence of a change of control, delisting, fundamental change or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Term Loan Commitments); provided that if such Capital Stock is issued pursuant to a plan for the benefit of current or former employees, directors, independent contractors or other service providers of the Loan Parties or by any such plan to such current or former employees, directors, independent contractors or other service providers, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by a Loan Party in order to satisfy applicable statutory or regulatory obligations, including tax withholding, or as a result of such current or former employee's, director's, independent contractor's or other service provider's termination, death or disability; provided further that Disqualified Capital Stock shall exclude Permitted Equity Derivatives.

"Dollars" and the sign "$" mean the lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia.

"EEA" means the European Economic Area.

"Eligible Assignee" means (a) any Lender, any Affiliate of any Lender and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), (b) any commercial bank, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans as one of its businesses, and (c) any other Person (other than a natural Person); provided, (i) neither Borrower nor any Affiliate of Borrower shall, in any event, be an Eligible Assignee, and (ii) no Person owning or controlling any trade debt or Indebtedness of any Loan Party (other than the Obligations) or any Capital Stock of any Loan Party (in each case, unless approved by Administrative Agent) shall, in any event, be an Eligible Assignee.

"EMA" means the European Medicines Agency or any successor agency thereto.

"Employee Benefit Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Environmental Claim" means any complaint, summons, citation, investigation, notice, directive, notice of violation, order, claim, demand, action, litigation, judicial or administrative proceeding or judgment from any Governmental Authority or any other Person, involving (a) any actual or alleged violation of any Environmental Law, (b) any Hazardous Material or any actual or alleged Hazardous Materials Activity, (c) injury to the environment, natural resource, any Person (including wrongful death) or property (real or personal) in connection with Hazardous Materials or actual or alleged violations of Environmental Laws, or (d) actual or alleged Releases or threatened Releases of Hazardous Materials either (i) on, at or migrating from any assets, properties or businesses currently or formerly owned or operated by any Loan Party or any of its Subsidiaries or any predecessor in interest, (ii) from adjoining properties or businesses, or (iii) onto any facilities which received Hazardous Materials generated by any Loan Party or any of its Subsidiaries or any predecessor in interest.

"Environmental Laws" means any and all current or future foreign or domestic, federal or state (or any subdivision of either of them) statutes, ordinances, orders, rules, regulations, judgments, decrees, permits, licenses or binding determinations of any Governmental Authorizations, or any other binding requirements of Governmental Authorities relating to (a) the manufacture, generation, use, storage, transportation, treatment, disposal or Release of, or exposure to, Hazardous Materials, or (b) occupational safety and health, industrial hygiene, or the protection of the environment (including plant or animal health or welfare).

"Environmental Liabilities and Costs" means all liabilities, monetary obligations, losses (including monies paid in settlement), damages, punitive damages, natural resources damages, consequential damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants and costs of investigations and feasibility studies), fines, penalties, sanctions and interest incurred in connection with any Remedial Action, any Environmental Claim, or any other claim or demand by any Governmental Authority or any Person that relates to any actual or alleged violation of Environmental Laws, actual or alleged exposure or threatened exposure to Hazardous Materials, or any actual or alleged Release or threatened Release of Hazardous Materials.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities and Costs.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means, as applied to any Person, (a) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (b) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (c) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (a) above or any trade or business described in clause (b) above is a member. Any former ERISA Affiliate of Borrower or any of its Subsidiaries shall continue to be considered an ERISA Affiliate of Borrower or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Borrower or such Subsidiary and with respect to liabilities arising after such period for which Borrower or such Subsidiary could be liable under the Internal Revenue Code or ERISA.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"ERISA Event" means (a) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for [*] notice to the PBGC has been waived by regulation), (b) the failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(d) of the Internal Revenue Code) or the failure to make by its due date a required installment under Section 412(m) of the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan, (c) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA, (d) the withdrawal by Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Borrower, any of its Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA, (e) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (f) the imposition of liability on Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA, (g) the withdrawal of Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA, (h) the assertion of a material claim (other than routine claims for benefits) against any Pension Plan or the assets thereof, or against Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates in connection with any Pension Plan, (i) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan to qualify under Section 401(a) of the Internal Revenue Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Internal Revenue Code, or (j) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or pursuant to ERISA with respect to any Pension Plan.

"Erroneous Payment" has the meaning [*]

"Erroneous Payment Return Deficiency" has the meaning [*]

"Erroneous Payment Subrogation Rights" has the meaning [*]

"ESG Certificate" means a certificate substantially in the form of the Loan Syndications and Trading Association's ("LSTA") "ESG Diligence Questionnaire – Borrower, effective June 4, 2021", and any successor thereto as may be designated as the form "ESG Certificate" by the Administrative Agent.

"Estimated Operating Expenses" means, [*]

"Event of Default" means each of the conditions or events set forth in Section 8.1.

"EU" means the European Union, as its membership may be constituted from time to time, and any successor thereto.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excluded Account" means [*]

"Excluded Property" means, [*]

"Excluded Subsidiary" means [*]

"Excluded Taxes" means [*]

"Fair Share" has the meaning specified in Section 7.2.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

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

"FDA" means the U.S. Food and Drug Administration or any successor thereto.

"FDA Laws" means all applicable statutes, rules, regulations, standards, guidelines, policies and orders and Requirements of Law administered, implemented, enforced or issued by FDA or any comparable Governmental Authority.

"Federal Funds Effective Rate" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, if (i) such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (ii) no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Federal Health Care Programs" shall mean the Medicare, Medicaid and TRICARE programs and any other state or federal health care program, as defined in 42 U.S.C. § 1320a-7b(f) and similar programs in the Specified Territories.

"Financial Officer Certification" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer (or financial officer with similar responsibilities) of Borrower that such financial statements fairly present, in all material respects, the financial condition of Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"First Priority" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is the only Lien to which such Collateral is subject, other than any Permitted Lien; provided that notwithstanding any provision in any Loan Document to the contrary, the Liens created in any Collateral shall be subject to the lien priorities and other provisions of the Senior Lender Intercreditor Agreement.

"Fiscal Quarter" means a fiscal quarter of any Fiscal Year.

"Fiscal Year" means the fiscal year of Borrower and its Subsidiaries ending on December 31 of each calendar year.

"[*] Agreement" means that certain [*] Agreement, dated as of the Initial Funding Date, duly executed by Company, and any other person party thereto, in form and substance reasonably satisfactory to Administrative Agent, in connection with the [*] Loan [*] in accordance with Section 2.1(a)(i).

"Foreign Lender" means (a) if Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which Borrower is resident for tax purposes.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Foreign Official" means any officer or employee of a non-U.S. government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization.

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

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Funding Default" has the meaning specified in Section 2.17.

"Funding Notice" means a written notice substantially in the form of Exhibit A.

"GAAP" means, subject to the limitations on the application thereof set forth in Section 1.2, United States generally accepted accounting principles in effect as of the date of determination thereof.

"Governmental Authority" means any federal, state, municipal, national, supranational or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, including any patent office, in each case whether associated with a state of the United States, the United States, the EEA or any of its member states, the United Kingdom or any other foreign entity, jurisdiction or government.

"Governmental Authorization" means any permit, license, authorization, clearance, approval, Registration, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Grantor" has the meaning specified in the Pledge and Security Agreement.

"Guaranteed Obligations" has the meaning specified in Section 7.1.

"Guarantor" means each Subsidiary of Borrower and each other Person which guarantees, pursuant to Article VII or otherwise (including pursuant to a joinder hereto in a form reasonably acceptable to the Administrative Agent and the Lenders), all or any part of the Obligations. For the avoidance of doubt, no Excluded Subsidiary shall be required to become a Guarantor except at the election of Borrower in accordance with Section 5.10.

"Guarantor Subsidiary" means each Guarantor.

"Guaranty" means (a) the guaranty of each Guarantor set forth in Article VII and (b) each other guaranty, in form and substance satisfactory to Administrative Agent, made by any other Guarantor for the benefit of the Secured Parties guaranteeing all or part of the Obligations.

"Hazardous Materials" means, regardless of amount or quantity, (a) any element, compound or chemical that is defined, listed or otherwise classified as a contaminant, pollutant, toxic pollutant, toxic or hazardous substance, extremely hazardous substance or chemical, hazardous waste, special waste, or solid waste under Environmental Laws, including, without limitation, any pollutant, contaminant, waste, hazardous waste, or toxic substance which is defined or identified in any Environmental Law and which is present in the environment in such quantity or state that it contravenes any Environmental Law, (b) petroleum and its refined products, (c) polychlorinated biphenyls, (d) any substance exhibiting a hazardous waste characteristic, including, without limitation, corrosivity, ignitability, toxicity or reactivity as well as any radioactive or explosive materials, (e) asbestos-containing materials, and (f) any substance or materials that are otherwise regulated under Environmental Law.

"Hazardous Materials Activity" means any use, manufacture, possession, storage, holding, Release, threatened Release, discharge, placement, generation, transportation, processing, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"Health Care Program Laws" means collectively, (a) federal Medicare or federal or state Medicaid statutes, (b) Sections 1128, 1128A, 1128B, 1128C, 1128G, and 1877 of the Social Security Act (42 U.S.C. §§ 1320a-7, 1320a-7a, 1320a-7b, 1320a-7c, 1320a-7h and 1395nn), (c) the federal TRICARE statute (10 U.S.C. § 1071 et seq.), (d) the civil False Claims Act of 1863 (31 U.S.C. § 3729 et seq.), (e)criminal false claims statutes (e.g., 18 U.S.C. §§ 286, 287 and 1001), (f) the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. § 3801 et seq.), (g) criminal fraud provisions under HIPAA, (h) federal and state Requirements of Law related to healthcare, health care professionals or other health care participants, or relationships with health care providers, suppliers, distributors, manufacturers and patients, and the pricing, sale and reimbursement of health care items or services, (i) any other Requirements of Law that directly or indirectly govern the health care industry, programs of Governmental Authorities, (j) Directive 2001/83/EC (Community code relating to medicinal products for human use), the EU Transparency Directive (2004/109/EC), the Misleading and Comparative Advertising Directive (2006/114/EC), the Unfair Commercial Practices Directive (2005/29/EC), the delegated acts, implementing acts and guidelines based on these Directives and Regulations, any EU and EEA member state laws and regulations implementing the provisions of these Directives and Regulations and the corresponding delegated acts, implementing acts and guidelines, and any other laws and regulations applicable in the EU and the EU and EEA member states and in the UK governing the topics referred to under paragraph (h) above; and (k) each as amended and the regulations or guidance promulgated thereunder.

"Hedging Agreement" means [*]

"Highest Lawful Rate" means [*]

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009), and all regulations promulgated thereunder, and other Requirements of Law regulating the privacy and/or security of patient-identifying health care information, including with respect to notification of breach of privacy or security of such information.

"Historical Financial Statements" means as of the Closing Date, the audited financial statements of Borrower and its Subsidiaries, for the Fiscal Year ended December 31, 2022, consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Year.

"Hong Kong Collateral Agreement" means that certain Collateral Agreement to be delivered by FibroGen International (Hong Kong) Limited in favor of the Administrative Agent, to be entered into after the date hereof in accordance with Section 5.14.

"Hong Kong Share Charge" means [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Indebtedness" means, as applied to any Person, without duplication, (a) all indebtedness for borrowed money, (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP, (c) all obligations of such Person evidenced by notes, bonds or similar instruments or upon which interest payments are customarily paid and all obligations in respect of notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (d) any obligation owed for all or any part of the deferred purchase price of property or services, including any earn-outs or other deferred payment obligations in connection with an acquisition to the extent such earn-outs and deferred payment obligations are fixed and non-contingent (excluding any such obligations incurred under ERISA and excluding trade payables incurred in the ordinary course of business and repayable in accordance with customary trade terms), (e) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (f) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person, (g) the face amount of any letter of credit or letter of guaranty issued, bankers' acceptances facilities, surety bonds and similar credit transactions issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, (h) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (i) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof, (j) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (i) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (ii) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (i) or (ii) of this clause (j), the primary purpose or intent thereof is as described in clause (i) above, (k) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including, without limitation, any Hedging Agreement, whether entered into for hedging or speculative purposes, and (l) Disqualified Capital Stock. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or joint venturer, unless such Indebtedness is expressly non-recourse to such Person. Notwithstanding anything herein to the contrary, Indebtedness shall not include (i) prepaid or deferred revenue arising in the ordinary course of business, (ii) endorsements of checks or drafts arising in the ordinary course of business, (iii) Capital Stock to the extent not constituting Disqualified Capital Stock, (iv) any obligations in respect of any Permitted Equity Derivative Transaction, (v) deferred compensation and severance, pension, health and welfare retirement and equivalent benefits or any deferred obligations incurred under ERISA until such obligations become a liability on the balance sheet of such Person in accordance with GAAP, (vi) purchase price adjustments or earn outs or other contingent payments of a similar nature (including any non-compete payments and consulting payments) made in connection with any Investment or other acquisitions, in each case, to the extent such obligations have not become due and payable (provided that deferred payments that are fixed or not subject to a bona fide contingency shall constitute Indebtedness to the extent provided in clause (d) above), (vii) non-compete or consulting obligations incurred in connection with Investments or other acquisitions until such obligations become a liability on the balance sheet of such Person in accordance with GAAP, (viii) unsecured installment payments or the deferred purchase price of property or services to the extent payable solely in Qualified Capital Stock of such Person, and (ix) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Indemnified Liabilities" means, collectively, any and all liabilities (including Environmental Liabilities and Costs), obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), expenses and disbursements of any kind or nature whatsoever (including the reasonable and documented out-of-pocket fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing any indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted in writing against any such Indemnitee, in any manner relating to or arising out of (a) this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Credit Extensions or the use or intended use of the proceeds thereof, or any enforcement of any of the Loan Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)), (b) the statements contained in the summary of proposed terms delivered by any Lender to Company prior to the Closing Date with respect to the transactions contemplated by this Agreement, or (c) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present operations or land ownership of Borrower or any of its Subsidiaries.

"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 clause (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 10.3.

"Indemnitee Agent Party" has the meaning specified in Section 9.6.

"Initial Funding Date" means May 8, 2023.

"Initial Term Loan" means the Term Loan funded on the Initial Funding Date pursuant to Section 2.1(a)(i).

"Initial Term Loan Commitment" means the commitment of a Lender to make or otherwise fund the Initial Term Loan and "Initial Term Loan Commitments" means such commitments of all such Lenders in the aggregate. The amount of each Lender's Initial Term Loan Commitment, if any, is set forth on Appendix A-1 or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Initial Term Loan Commitments as of the Closing Date is $75,000,000.

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

"Intellectual Property" has the meaning specified in the Pledge and Security Agreement.

"Intellectual Property Rights" means any and all rights, title and interests in and to all intellectual property rights of every kind and nature however denominated, as they exist throughout the world, including

(a) any Patent;

(b) trademarks, trade names, service marks, brands, trade dress and logos, packaging design, slogans, domain names and the goodwill and activities associated therewith;

(c) copyrights, mask work rights, confidential information, trade secrets, database rights, including all compilations, databases and computer programs, manuals and other documentation, and all derivatives, translations, adaptations, and combinations of the above;

(d) Know-How;

(e) rights of publicity and moral rights; and

(f) any and all other intellectual property rights or proprietary rights, whether or not patentable, including any and all registrations, applications, recordings, licenses, common-law rights, statutory rights, administrative rights, and contractual rights relating to any of the foregoing, claims of infringement and misappropriation against third parties, and regulatory filings, submissions and approvals.

"Intercompany Subordination Agreement" means that certain Intercompany Subordination Agreement, dated as of the Closing Date, made by the Loan Parties and their Subsidiaries in favor of Administrative Agent for the benefit of the Secured Parties.

"Interest Payment Date" means [*]

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

"Investment" means (a) any direct or indirect purchase or other acquisition by Borrower or any of its Subsidiaries of, or of a beneficial interest in, any of the securities or Capital Stock or all or substantially all of the assets of any other Person (or of any product, division, product line or business line of such other Person), (b) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Subsidiary of Borrower from any Person, of any Capital Stock of such Person, (c) any direct or indirect loan, advance, or capital contributions (or transfer or similar payment made from one entity to its Subsidiary in lieu of any capital contributions that would otherwise be required) by Borrower or any of its Subsidiaries to any other Person, including all indebtedness (including, without limitation, any intercompany indebtedness) and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business, (d) any direct or indirect guarantee of any obligations of any other Person and (e) any Acquisition. [*].

"Joint Venture" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form, in which Company or any of its Subsidiaries holds any Capital Stock; provided, in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

"Know-How" means all information and materials, including but not limited to discoveries, improvements, processes, methods, protocols, formulations formulas, data (including pharmacological, toxicological, non-clinical data, clinical data, analytical and quality control data, manufacturing data and descriptions, market data, financial data or descriptions), inventions, devices, assays, chemical formulations, specifications, product samples and other samples, physical, practices, procedures, technology, techniques, designs, drawings, correspondence, computer programs, documents, apparatus, results, strategies, regulatory documentation, information and submissions pertaining to, or made in association with, filings with any Governmental Authority, research in progress, algorithms, data, databases, data collections, chemical and biological materials (including any compounds, DNA, RNA, clones, vectors, cells and any expression product, progeny, derivatives or improvements thereto), and the results of experimentation and testing, including samples in each case, knowledge, know-how, trade secrets and the like, in written, electronic, oral or other tangible or intangible form, patentable or otherwise, which are not generally known.

"Lender" means each lender listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement other than any Person that ceases to be a party hereto pursuant to any Assignment Agreement.

"Lender Fee Letter" means the letter agreement, dated the Closing Date, between Company and the Lenders.

"Liabilities" means all claims, actions, suits, judgments, damages, losses, liability, obligations, responsibilities, fines, penalties, sanctions, costs, fees, taxes, commissions, charges, disbursements and expenses, in each case of any kind or nature (including interest accrued thereon or as a result thereto and fees, charges and disbursements of financial, legal and other advisors and consultants), whether joint or several, whether or not indirect, contingent, consequential, actual, punitive, treble or otherwise.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"License Agreements" has the meaning set forth in Section 4.23(b).

"Licensee" means any third party to which Company or any of its Affiliates, directly or indirectly through multiple tiers, grants a license, a sublicense, or other right to research, develop, use or Commercialize a Product in any jurisdiction.

"Lien" means (a) any lien, mortgage, pledge, assignment, hypothec, deed of trust, security interest, license or sublicense, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (b) in the case of securities or Capital Stock, any purchase option, call or similar right of a third party with respect to such securities or Capital Stock.

"Limited Condition Transaction" means any acquisition or Investment in, any assets, business or Person that would be permitted by this Agreement that Borrower or one or more of its Subsidiaries is contractually committed to consummate (it being understood that such commitment may be subject to conditions precedent, which conditions precedent may be amended, satisfied or waived in accordance with the terms of the applicable agreement) and the consummation of which is not conditioned on the availability of, or on obtaining, third party financing[*].

"Loan" means any Term Loan.

"Loan Account" means an account maintained hereunder by Administrative Agent on its books of account at the Payment Office, and with respect to Company, in which it will be charged with the Term Loan made to, and all other Obligations incurred by the Loan Parties.

"Loan Document" means any of this Agreement, the Notes, if any, the Collateral Documents, the Lender Fee Letter, the Administrative Agent Fee Letter, the [*] Agreement, any Guaranty, the Intercompany Subordination Agreement, the Perfection Certificate, the Senior Lender Intercreditor Agreement, any intercreditor agreement executed pursuant to Section 9.8(a)(ii)(D), and all other documents, instruments or agreements executed and delivered by a Loan Party for the benefit of Administrative Agent or any Lender in connection herewith.

"Loan Party" means Company or any Guarantor.

"Loan Party Partner" has the meaning set forth in Section 4.33(a).

"Margin Stock" has the meaning specified in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Material Adverse Effect" means a material adverse effect with respect to (a) the business operations, properties, assets, financial condition, or liabilities of Borrower and its Subsidiaries taken as a whole, (b) the ability of any Loan Party to fully and timely perform its obligations under any Loan Document to which it is a party, (c) the legality, validity, binding effect, or enforceability against a Loan Party of a Loan Document to which it is a party, (d) the validity, perfection or priority of Administrative Agent's Liens on the Collateral or (e) the rights, remedies and benefits available to, or conferred upon, Administrative Agent and any Lender or any other Secured Party under any Loan Document.

"Material Contract" means, collectively, the AstraZeneca China Agreement, and Astellas EMEA Agreement and any Replacement Contract with respect thereto.

"Material Real Property" means [*]

"Material Regulatory Liabilities" means [*]

"MHRA" means the United Kingdom Medicines and Healthcare products Regulatory Agency or any successor agency thereto.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"MNPI" has the meaning specified in Section 10.1(b)(iii).

"Moody's" means Moody's Investor Services, Inc.

"Mortgage" means a mortgage, deed of trust or deed to secure debt that encumbers Real Property, in form and substance satisfactory to Administrative Agent, made by a Loan Party in favor of Administrative Agent for the benefit of the Secured Parties, securing the Obligations and delivered to Administrative Agent.

"MSTV" means the Lenders as of the date hereof and their respective Affiliates that are Eligible Assignees.

"Multiemployer Plan" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"Net Proceeds" means (a) with respect to any Asset Sale, an amount equal to: (i) Cash payments received by Borrower or any of its Subsidiaries from such Asset Sale, minus (ii) any bona fide costs or expenses incurred in connection with such Asset Sale that are properly attributable to such Asset Sale and to the extent paid or payable to non-Affiliates, including (A) taxes paid or reasonably estimated to be payable in connection therewith (after taking into account available loses, deductions and tax attributes that may reduce otherwise payable Taxes) and any reasonable and unavoidable repatriation Taxes associated with receipt or distribution by the applicable taxpayer of such proceeds, (B) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale, (C) a reasonable reserve for (x) any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by Borrower or any of its Subsidiaries in connection with such Asset Sale, and (y) any liabilities associated with such property and retained after such Asset Sale, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction and (D) any reasonable and documented out-of-pocket fees or expenses incurred in connection therewith; provided that upon release of any such reserve, the amount released shall be considered Net Proceeds, (b) with respect to any insurance, condemnation, taking or other casualty proceeds, an amount equal to: (i) any Cash payments or proceeds received by Borrower or any of its Subsidiaries (A) under any casualty or business interruption insurance policies in respect of any covered loss thereunder, or (B) as a result of the condemnation or taking of any assets of Borrower or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (A) any actual costs or expenses incurred by Borrower or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Borrower or such Subsidiary in respect thereof, and (B) any bona fide costs and expenses incurred in connection with any sale of such assets as referred to in clause (b)(i)(B) of this definition to the extent paid or payable to non-Affiliates, including income taxes payable as a result of any gain recognized in connection therewith, and (c) with respect to any issuance of Capital Stock, the cash proceeds thereof, net of all Taxes and customary fees, commissions, costs, underwriting discounts and other fees and expenses incurred by the Borrower or any Subsidiary in connection therewith.

"NIH" has the meaning specified in the definition of Public Health Laws.

"Note" means a promissory note evidencing the Initial Term Loan or a Delayed Draw Term Loan, as applicable.

"Notice" means a Funding Notice.

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Obligations" means all obligations of every nature of each Loan Party and its Subsidiaries from time to time owed to Administrative Agent (including former Administrative Agents), the Lenders or any of them, under any Loan Document, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Loan Party, would have accrued on any Obligation, whether or not a claim is allowed against such Loan Party for such interest in the related bankruptcy proceeding), the Applicable Premium, fees, expenses, indemnification or otherwise and whether primary, secondary, direct, indirect, contingent, fixed or otherwise (including obligations of performance).

"OFAC" has the meaning specified in the definition of "Anti-Terrorism Laws".

"OFAC Sanctions Programs" means (a) the Requirements of Law and Executive Orders administered by OFAC, including but not limited to, Executive Order No. 13224, and (b) the list of Specially Designated Nationals and Blocked Persons administered by OFAC, in each case, as renewed, extended, amended, or replaced.

"Orange Book Patents" means any Product Patents listed in the FDA's Orange Book pursuant to 21 U.S.C. Section 355(b)(1), as such patent listing may be amended from time to time, together with all foreign counterpart patents.

"Organizational Documents" means (a) with respect to any corporation or company, its certificate of incorporation, its articles or memorandum of incorporation, organization or association, and its by-laws or its articles of association, (b) with respect to any limited partnership, its certificate of limited partnership, and its partnership agreement, (c) with respect to any general partnership, its partnership agreement, and (d) with respect to any limited liability company, its articles of organization, certificate of incorporation, articles of association, and its operating agreement (or, in each case of (a) through (d), the equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction). In the event any term or condition of this Agreement or any other Loan Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

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

"Other Relevant Contracts" means any contract set forth on Schedule 1.01(e) as of the date hereof.

"Other Taxes" has the meaning specified in Section 2.15(b).

"Pamrevlumab" means any product containing, whether alone or with other any other active ingredient (a) Pamrevlumab (also known as FG-3019), (b) any product that Borrower identifies and designates after the date hereof as a backup product for Pamrevlumab in accordance with Borrower's then-current business practices, (c) pro-drugs that directly or indirectly convert to a compound described in clause (a) or clause (b), (d) metabolites of any compound in clauses (a), (b) or (c), (e) pro-drugs that directly or indirectly convert to metabolites of any compound in clauses (a) or (b), and (f) any amorphous forms, co-crystals, stereoisomers, isotopic substitutions, salts, hydrates, solvates, and polymorphs of any compound described in clauses (a)-(e), in all forms, presentations, formulations or dosage forms.

"Pamrevlumab Patents" means the U.S. and foreign Patents owned or in-licensed by Company or any of its Subsidiaries, now or in the future, that are necessary for or material to the research, development, use or Commercialization of Pamrevlumab.

"Participant Register" has the meaning specified in Section 10.6(h)(ii).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Patent" means any patent or patent application, including any continuation, continuation-in-part, division, provisional or any substitute applications, any patent issued with respect to any of the foregoing patent applications, any certificate, reissue, reexamination, renewal or patent term extension or adjustment (including any supplementary protection certificate) of any such patent or other governmental actions which extend the duration or any of the subject matter of a patent, and any substitution patent, confirmation patent or registration patent or patent of addition based on any such patent, and all foreign counterparts of any of the foregoing.

"PATRIOT Act" has the meaning specified in Section 4.29.

"Payment Office" means Administrative Agent's office located at 1100 North Market Street, Wilmington, DE 19890 or such other office or offices of Administrative Agent as may be designated in writing from time to time by Administrative Agent and Company.

"Payment Recipient" has the meaning specified in Section 9.12(a).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code, Section 302 of ERISA or Title IV of ERISA.

"Perfection Certificate" means that certain Perfection Certificate dated as of the Closing Date.

"Permitted Acquisition" means any Acquisition or acquisition by Company or its Subsidiaries, whether by purchase, merger, in-licensing or otherwise, of all or substantially all of the assets of, a majority of the Capital Stock of, or a business line or unit or a division of, or Patents, royalty rights or similar or related assets of, any Person; provided,

(a) immediately prior to, and after giving effect thereto, no Event of Default shall have occurred and be continuing or would result therefrom;

(b) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable and material Governmental Authorizations;

(c) in the case of the acquisition of Capital Stock, all of the Capital Stock (except for any such securities in the nature of directors' qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly formed Guarantor Subsidiary in connection with such acquisition [*] as set forth in Section 5.10, Section 5.11 and/or Section 5.12, as applicable;

(d) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to such acquisition as of the date such Permitted Acquisition is consummated;

(e) in the case of an acquisition which the Company in good faith projects [*], such information and documents that Administrative Agent may reasonably request, including, without limitation, financial information with respect to such acquired assets, to the extent such financial information is available, and drafts of the respective acquisition agreements related thereto;

(f) any Person or assets or division as acquired in such Permitted Acquisition shall be in the same business or lines of business in which Company and/or its Subsidiaries are engaged [*] (or in lines of business reasonably related or incidental thereto, or such other lines of business as may be consented to by Administrative Agent (such consent not to be unreasonably withheld or delayed));

(g) the acquisition shall have been approved by the Board of Directors or other governing body or controlling Person of the Person acquired or the Person from whom such assets or division is acquired or a court of competent jurisdiction; and

(h) [*]

"Permitted Chinese Indebtedness" means Indebtedness of any Chinese Subsidiary under one or more working capital revolving credit facilities [*], provided that such Indebtedness, if secured, is secured solely by the Chinese Subsidiaries' accounts receivable, inventory and segregated cash proceeds of the foregoing.

"Permitted Convertible Indebtedness" means Indebtedness of Borrower that is convertible based on a fixed conversion rate (subject to customary anti-dilution adjustments, "make-whole" increases and other customary changes thereto) into shares of Common Stock of Borrower (or other securities or property following a merger event or other change of the Common Stock of Borrower), cash or any combination thereof (with the amount of such cash or such combination determined by reference to the market price of such Common Stock or such other securities); provided that (a) at the time such Indebtedness is incurred, no Default or Event of Default has occurred and is continuing or would occur as a result of such incurrence, (b) all necessary corporate, company, shareholder or similar actions shall be taken and consents obtained in connection with the issuance of such Indebtedness, (c) the issuance of such Indebtedness shall be consummated in compliance with all applicable Requirements of Law, and (d) the documentation evidencing such Indebtedness shall have been delivered to Administrative Agent and shall be subject to customary terms for similar convertible transactions in the public markets (as determined by Borrower in good faith), including all of the following terms: (i) it shall be (and shall remain at all times) unsecured, (ii) it shall not have a scheduled maturity (and shall not have any scheduled amortization of principal) [*] in effect at the time such Indebtedness is incurred, (iii) if it has any negative covenants, such covenants (including covenants relating to incurrence of Indebtedness), when taken as a whole, shall not be materially more restrictive than those set forth herein, as determined by the Borrower in good faith, (iv) it shall have no restrictions on Borrower's ability to grant liens securing the Obligations, (v) it shall not prohibit the incurrence of the Obligations, (vi) it is not guaranteed by any Subsidiary, and (vii) any cross-default or cross-acceleration event of default (each howsoever defined) provision contained therein that relates to indebtedness or other payment obligations of Company (or any of its Subsidiaries) (such indebtedness or other payment obligations, a "Cross-Default Reference Obligation") [*] before a default, event of default, acceleration or other event or condition under such Cross-Default Reference Obligation results in an event of default under such cross-default or cross-acceleration provision.

"Permitted Equity Derivative" means any forward purchase, accelerated share repurchase, call option, warrant or other derivative transactions in respect of Borrower's Common Stock; provided, that (w) the terms, conditions and covenants of each such transaction shall be customary for transactions of such type, as determined by Borrower in good faith, (x) such transaction may, at the option of Borrower, be settled in Common Stock of Borrower, (y) such transaction is entered into contemporaneously and otherwise in connection with the issuance of Permitted Convertible Indebtedness or the Restricted Junior Payments in respect of such transaction are otherwise permitted pursuant to Section 6.5(f), and (z) such transaction shall be classified in Borrower's stockholders' equity under FASB ASC 815-40 or any successor provision.

"Permitted Indebtedness" means:

(a) the Obligations;

(b) to the extent constituting Indebtedness, Permitted Intercompany Investments; provided, that such Indebtedness shall be unsecured and the parties thereto are party to an Intercompany Subordination Agreement;

(c) Indebtedness incurred by Borrower or any of its Subsidiaries arising from agreements providing for indemnification or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of Company or any such Subsidiary pursuant to such agreements, in connection with Permitted Acquisitions or Asset Sales permitted hereunder;

(d) Indebtedness which may be deemed to exist pursuant to any guaranties, performance, surety, statutory, appeal or similar obligations incurred in the ordinary course of business and Indebtedness constituting guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees of Borrower and its Subsidiaries;

(e) Indebtedness incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations;

(f) (i) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts; and (ii) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business;

(g) Indebtedness described in Schedule 6.1, and any Permitted Refinancing Indebtedness in respect of such Indebtedness;

(h) Indebtedness [*] with respect to (i) Capital Leases and (ii) purchase money Indebtedness (including any Indebtedness acquired in connection with a Permitted Acquisition); provided that any such Indebtedness shall be secured only by the asset subject to such Capital Lease or by the asset acquired in connection with the incurrence of such Indebtedness;

(i) guaranties with respect to Indebtedness of Borrower or any of its Subsidiaries, to the extent that the Person that is obligated under such guaranty could have incurred such underlying Indebtedness and to the extent such guaranties are not prohibited by Section 6.7; provided that, if the Indebtedness being guaranteed is subordinated to the Obligations, such guaranty shall be subordinated to the Obligations on terms at least as favorable to the Secured Parties as those contained in the subordination of such Indebtedness;

(j) unsecured Indebtedness of Borrower owing to former employees, officers, or directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase by Borrower of the Capital Stock of Borrower that has been issued to such Persons, so long as (i) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) [*];

(k) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to the Loan Parties, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the period in which such Indebtedness is incurred and such Indebtedness is outstanding only during such period;

(l) (i) customary adjustment of purchase price obligations, and (ii) deferred purchase price and compensation, or other similar arrangements, each incurred by such Person in connection with Permitted Acquisitions, any Investment permitted hereunder or, in the case of clause (i) any out-license, transfer or other Asset Sale permitted hereunder; [*];

(m) Indebtedness of a Person whose assets or Capital Stock are acquired by Borrower or any of its Subsidiaries in a Permitted Acquisition [*]; provided, that such Indebtedness was not incurred in connection with, or in contemplation of, such Permitted Acquisition;

(n) Permitted Convertible Indebtedness and any Permitted Refinancing Indebtedness in respect thereof [*];

(o) Indebtedness consisting of obligations in respect of letters of credit, surety bonds or performance bonds [*];

(p) Indebtedness owed to any financial institution in respect of purchasing or debit card programs, credit card programs and related liabilities arising from ordinary course treasury, depository or cash management services, including any payments in connection with the termination thereof;

(q) Indebtedness consisting of take-or-pay obligations contained in supply arrangements in the ordinary course of business;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(r) customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(s) Indebtedness incurred in connection with bankers' acceptances, discounted bills of exchange, warehouse receipts or similar facilities or the discounting or factoring of receivables for collection purposes, in each case incurred or undertaken in the ordinary course of business;

(t) guarantees incurred in the ordinary course of business in respect of obligations to suppliers, customers, franchisees, lessors, and distribution partners;

(u) [reserved];

(v) Permitted Chinese Indebtedness;

(w) to the extent constituting Indebtedness, obligations under Permitted Royalty Transactions;

(x) obligations under any Hedging Agreement;

(y) [reserved]; and

(z) so long as (i) no Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness and (ii) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to the incurrence of such Indebtedness as of the date of incurrence, other Indebtedness of Borrower and its Subsidiaries[*].

For purposes of determining compliance [*], the Dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that, if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would [*] exceed if calculated at the relevant currency exchange rate in effect on the date of such refinancing[*].

"Permitted Intercompany Investments" means Investments by (a) a Loan Party to or in another Loan Party, (b) a Subsidiary that is not a Loan Party to or in another Subsidiary that is not a Loan Party (limited, in the case of Investments in any Chinese Subsidiary, [*] (c) a Subsidiary that is not a Loan Party to or in a Loan Party, so long as, in the case of a loan or an advance, the parties thereto are party to an Intercompany Subordination Agreement, (d) Investments by the Loan Parties in Subsidiaries that are not Loan Parties to the extent such Investments constitute bona fide transfer pricing transactions, cost-sharing arrangements or "cost-plus" arrangements in the ordinary course of business or consist of foreign regulatory approvals or in-licenses in connection with the development or Commercialization of any Product in a foreign jurisdiction; (e) Investments by the Loan Parties in Chinese Subsidiaries [*]; provided that, with respect to clause (e), Company and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to such Investment as of the consummation of the Investment; provided further that no Product (Core) or Product (Core) Intellectual Property Rights shall be assigned, transferred, contributed, licensed, sublicensed, or otherwise disposed by any Loan Party pursuant to this clause (e) except if constituting Intellectual Property in China, and (f) Investments by the Loan Parties in Subsidiaries that are not Loan Parties [*].

"Permitted Investments" means:

(a) Investments in Cash and Cash Equivalents;

(b) equity Investments owned as of the Closing Date in any Subsidiary and equity Investments [*] owned as a result of the formation of a Subsidiary to the extent otherwise permitted hereunder;

(c) Permitted Intercompany Investments;

(d) loans and advances to employees of Borrower and its Subsidiaries (i) made in the ordinary course of business and described on Schedule 6.6, and (ii) any refinancings of such loans [*];

(e) Permitted Acquisitions;

(f) Investments described in Schedule 6.7 as of the Closing Date;

(g) any Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business or received in compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business of Borrower or any of its Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (ii) litigation, arbitration or other disputes;

(h) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;

(i) Investments in the ordinary course of business consisting of customary trade arrangements with customers;

(j) advances made in connection with purchases of goods or services in the ordinary course of business;

(k) Investments held by a Person acquired in a Permitted Acquisition to the extent that such Investments were not made in contemplation of or in connection with such Permitted Acquisition and were in existence on the date of such Permitted Acquisition; [*].

(l) so long as (i) no Event of Default has occurred and is continuing or would result therefrom and (ii) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to such Investment as of the date of consummation of the Investment, Investments in Joint Ventures [*];

(m) Permitted Equity Derivatives;

(n) [Reserved];

(o) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(p) Investments under Hedging Agreement permitted under this Agreement;

(q) [Reserved];

(r) [Reserved]

(s) any Investment of the non-cash consideration received from an Asset Sale that was made pursuant to and in compliance with this Agreement;

(t) Investments consisting of earnest money deposits made by the Borrower or its Subsidiaries in connection with any letter of intent or other agreement in respect of any Investment permitted by this Agreement;

(u) acquisitions of obligations of one or more officers or other employees of Borrower or any Subsidiary of the Borrower in connection with such officer's or employee's acquisition of Capital Stock of any direct or indirect parent of the Borrower, so long as no cash is actually advanced by the Borrower or any Subsidiary to such officers or employees in connection with the acquisition of any such obligations;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(v) guarantees of operating leases or of other obligations, in each case, that do not constitute Indebtedness, and are entered into by the Borrower or any Subsidiary in the ordinary course of business;

(w) Investments consisting of the redemption, purchase, repurchase or retirement of any Capital Stock of Borrower permitted by this Agreement;

(x) [Reserved];

(y) (A) Investments made with Capital Stock (other than Disqualified Capital Stock) of the Borrower and (B) Investments made with Available Equity Proceeds, so long as, (i) no Default or Event of Default has occurred and is continuing or would result from such Investment, (ii) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to such Investment as of the date of consummation of the Investment, and (iii) [*]; and

(z) so long as (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 [*].

[*]

"Permitted Liens" means:

(a) Liens in favor of Administrative Agent for the benefit of Secured Parties granted pursuant to any Loan Document;

(b) Liens for Taxes (i) not yet due and payable or (ii) if obligations with respect to such Taxes are being contested in good faith by appropriate proceedings [*] instituted and diligently conducted and reserves required by GAAP have been made;

(c) statutory Liens of landlords, banks (and rights of set off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or by ERISA), in each case incurred in the ordinary course of business for amounts not yet overdue;

(d) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof;

(e) easements, rights of way, restrictions, encroachments, and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Borrower or any of its Subsidiaries;

(f) any interest or title of a lessor or sublessor under any lease of real estate permitted hereunder;

(g) Liens solely on any cash earnest money deposits made by Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(k) Liens described in Schedule 6.2; provided that any such Lien shall only secure the Indebtedness that it secures on the Closing Date and any Permitted Refinancing Indebtedness in respect thereof;

(l) Liens securing Capital Leases or purchase money Indebtedness permitted pursuant to clause (h) of the definition of Permitted Indebtedness; provided, any such Lien shall encumber only the asset subject to such Capital Lease or the asset acquired with the proceeds of such Indebtedness

(m) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under the definition of Permitted Indebtedness;

(n) Liens assumed by Borrower and its Subsidiaries in connection with a Permitted Acquisition that secure Indebtedness permitted by clause (m) of the definition of Permitted Indebtedness;

(o) (i) Liens solely on any cash securing Indebtedness permitted pursuant to clause (o) of the definition of Permitted Indebtedness; [*] securing Indebtedness permitted pursuant to clause (p) of the definition of Permitted Indebtedness in the ordinary course of business;

(p) Liens in favor of vendors or suppliers of such Person in the ordinary course of business to the extent encumbering property purchased from or provided by such vendors or suppliers and the proceeds thereof;

(q) Liens securing any judgments, writs or warrants of attachment or similar process not constituting an Event of Default under Section 8.1(h);

(r) leases, subleases, licenses or sublicenses (solely with respect to the grant of the license or sublicense thereunder) that are (i) permitted by Section 6.9(b) or (ii) excluded from the definition of Asset Sale;

(s) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by Borrower or its Subsidiaries, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements, as part of a bank's standard term and conditions; provided, that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(t) Liens (i) of a collection bank arising under Section 4-210 of the UCC, or any comparable or successor provision, on items in the course of collection; and (ii) in favor of banking or other financial institutions or entities, or electronic payment service providers, arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(u) Liens on the Collateral (as defined in the Astellas Royalty Transaction Agreement) in favor of the Astellas Royalty Agent as required under the Astellas Royalty Transaction Agreement, which security interests shall subject at all times to the Senior Lender Intercreditor Agreement;

(v) Liens securing Permitted Chinese Indebtedness (for the avoidance of doubt, to the extent such Liens are permitted in the definition of "Permitted Chinese Indebtedness");

(w) (i) [*] granted pursuant to any Permitted Royalty Transaction and (ii) Liens on Intellectual Property Rights, receivables, collateral accounts and related assets and the proceeds thereof granted pursuant to any Permitted Royalty Transaction; provided that with respect to clause (ii) the holder of such Liens enters into an intercreditor agreement acceptable to the Required Lenders;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(x) Liens on specific items of inventory or other goods and proceeds of the Borrower or a Subsidiary securing such Person's obligations in respect of bankers' acceptances or letters of credit entered into in the ordinary course of business issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(y) Liens arising from, or from UCC financing statement filings regarding, operating leases or consignments entered into by the Borrower or its Subsidiaries in the ordinary course of business;

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

(aa) any encumbrance or restriction, including any put and call arrangements, related to Capital Stock in any Joint Venture set forth in the Organization Documents of such Joint Venture or any related joint venture, shareholders' or similar agreement;

(bb) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(cc) [Reserved];

(dd) to the extent constituting Liens, licenses and sublicenses under any Permitted Product Transaction (solely with respect to the grant of the license or sublicense thereunder);

(ee) [Reserved]; and

(ff) other Liens incurred in the ordinary course of business of Borrower or any Subsidiary of Borrower with respect to obligations [*].

Notwithstanding the foregoing, (i) no Liens on any Product, Product Patent or Registrations shall be permitted (other than non-consensual Liens constituting "Permitted Liens" and Liens described in clauses (a), (r), (u), and (w) above) and (ii) no Liens other than non-consensual Liens constituting "Permitted Liens" and Liens pursuant to clauses (a), (b), (c), (d), (q), (t) and (aa) above shall be permitted to be placed on the Capital Stock of any Chinese Subsidiary directly owned by a Loan Party.

"Permitted Product Agreement" means with respect to a Product, (a) the agreements set forth on Schedule 1.1(b) and any Replacement Contract with respect thereto, and (b) any other Product Agreement entered into after the Closing Date that grants a license or sublicense of any rights under any Product Intellectual Property Rights or Registrations that allows the licensee to develop, manufacture, research, seek Registrations for, or Commercialize a Product anywhere in the world; provided with respect to any such Product Agreement described in this clause (b) (i) such Product Agreement does not provide for the legal transfer of title to any Product Patents, Registrations (unless, and only to the extent and duration the Requirements of Law of an applicable jurisdiction requires a local agent to hold such Registration or Intellectual Property Rights relating to a Product (Core); and (ii) the Borrower shall [*] permit the disclosure of royalty or revenue and similar reports to the Administrative Agent and the Lenders in accordance with Section 5.1(e).

"Permitted Product Transaction" means (a) the grant of a license or sublicense of any rights under any Product Patents or Registrations pursuant to a Permitted Product Agreement, and (b) the grant of the applicable licenses set forth on Schedule 1.1(c).

"Permitted Refinancing Indebtedness" means any Indebtedness of Borrower or any of its Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of Borrower or any of its Subsidiaries; provided that:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) [*];

(c) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Obligations on terms at least as favorable to Administrative Agent and the Lenders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(d) such Indebtedness is incurred either by Borrower or by the Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(e) in the case of Permitted Convertible Indebtedness, such Indebtedness complies with the terms set forth in the proviso of the definition of Permitted Convertible Indebtedness.

"Permitted Royalty Transaction" means a (i) the Astellas Royalty Transaction and (ii) any other Royalty Monetization Transaction in respect of royalties payable in respect of, or revenues from, net or gross sales of a Product; provided, in the case of clause (ii), that (a) such transaction shall be structured as a "true sale" of royalties or revenues or in the form of Indebtedness, (b) such transaction shall not have or provide for any (x) redemption or buy-back obligations or any financial covenants [*] (and, in any event, shall permit the Indebtedness and other Obligations pursuant to the Loan Documents), (y) Lien on any asset of the Borrower or any of its Subsidiaries, except a [*] in the royalties or revenues sold pursuant to such transaction and, subject to the entry into an intercreditor agreement acceptable to the Lenders, Liens on Intellectual Property Rights, collateral accounts and related assets and the proceeds thereof, or (z) negative pledge restricting incurrence of any Lien on any asset of the Borrower or any of its Subsidiaries (except that such transaction may contain a customary negative pledge on the royalties or revenues sold pursuant to such transaction, the proceeds thereof and cash in segregated accounts that receive such proceeds and hold no other cash), (c) the consideration received for such transaction shall be in an amount [*] thereof, and (d) no Default or Event of Default shall have occurred and be continuing or would result therefrom.

"Person" means and includes natural persons, corporations, companies, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"Personal Information" means any information that identifies or can be used to identify a natural person, including any information defined as "personal data," "personally identifiable information," "personal information," "protected health information," "nonpublic personal information", "genetic data", "biometric data", "data concerning health" and "special categories of personal data" as such terms are defined under applicable Data Protection Laws.

"Platform" has the meaning specified in Section 10.1(b)(iii).

"Platform Intellectual Property" means any Intellectual Property Rights that are necessary for or material to the research, development, use or Commercialization of at least one Product (Non-Core), including but not limited to the Intellectual Property listed on Schedule 1.1(d), as may be updated from time to time in the Borrower's sole discretion; provided that such Intellectual Property Rights shall not be necessary or material to the development, Commercialization or manufacture of any Product (Core). Notwithstanding the foregoing, Platform Intellectual Property shall include any Product Patents that claim the use of any Product in combination with at least one Product (Non-Core) for which the Company or any of its Affiliates owns a Patent claiming the composition of such Product (Non-Core) (each such Patent Right, a "Combination Patent"). As of the Closing Date, the Borrower and its Subsidiaries do not have any Platform Intellectual Property except as listed on Schedule 1.1(d); provided that, such Intellectual Property Rights (including the Intellectual Property Rights listed on Schedule 1.1(d) as may be updated from time to time in the Borrower's sole discretion) is not necessary or material to the development, Commercialization or manufacture of any Product (Core).

"Pledge and Security Agreement" means the Pledge and Security Agreement executed by Grantors in favor of Administrative Agent for the benefit of the Secured Parties.

"Prime Rate" means [*]

"Principal Office" means Administrative Agent's "Principal Office" as set forth on Appendix B, or such other office as such Person may from time to time designate in writing to Company and each Lender.

"Privacy Policies" has the meaning specified in Section 4.36.

"Pro Rata Share" means, [*]

"Product" means Roxadustat, Pamrevlumab and any other product/development candidate being developed or Commercialized by Borrower or the Loan Parties from time to time, including but not limited to any acquired Product that is acquired or in-licensed pursuant to a Permitted Acquisition.

"Product Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in the acquisition of an exclusive product license or a product line, and/or related Intellectual Property Rights acquired or exclusively in-licensed by a Loan Party or any of its Subsidiaries from a Person (other than a Loan Party, any Subsidiary thereof or any Affiliate thereof) to facilitate the advertisement, development, importing, manufacturing, marketing, offering for sale, promotion, sale, testing, use or distribution of such product or product line by a Loan Party or a Subsidiary.

"Product Agreement" means any agreement entered into between Company or any of its Subsidiaries with another Person that includes the granting of a license or sublicense of any rights under any Product Intellectual Property Rights or Registrations that allows such Person to research, develop, use or Commercialize a Product.

"Product (Core)" means (i) Roxadustat and any Competing Product thereof and (ii) Pamrevlumab and any Competing Product thereof .

"Product (Core) Intellectual Property Rights" means Product Intellectual Property Rights relating to any Product (Core).

"Product (Core) Patents" means the Roxadustat Patents and the Pamrevlumab Patents.

"Product (Non-Core)" means any Product other than a Product (Core).

"Product Intellectual Property Rights" means (a) the Product Patents and (b) any and all Intellectual Property Rights owned by or exclusively licensed to, or purported to be owned by or exclusively licensed to, Borrower or its Affiliates relating to any Product or that, absent a valid license or other rights under such Intellectual Property Rights, would be infringed or misappropriated by the research, development, manufacture, use or Commercialization of any Product.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Product Patents" means the U.S. and foreign Patents and pending Patent applications owned or in-licensed by Company or any of its Subsidiaries, now or in the future, that are necessary or material to the research, development, manufacture, use or Commercialization of one or more of the Products.

"Product Revenue" means, for any period and with respect to any Product (including any Product, containing whether alone, or with any other active ingredients) (a) the consolidated gross revenues of the Loan Parties generated solely through the commercial sale of such Product to third parties by the Loan Parties (or any licensee pursuant to a Permitted Product Agreement, in which case such revenues shall be limited to the royalties actually received by the Loan Parties from the commercial sale of such Product by any such licensee or its sublicensees thereof) during such period, less, without duplication, (b)(i) trade, quantity and cash discounts allowed by Company, (ii) discounts, refunds, rebates, charge backs, retroactive price adjustments and any other allowances which effectively reduce net selling price, (iii) product returns and allowances, (iv) allowances for shipping or other distribution expenses, (v) set-offs and counterclaims, and (vi) any other similar and customary deductions used by Company in determining net revenues, all, in respect of clauses (a) and (b), as determined in accordance with GAAP and calculated on a basis consistent with the Historical Financial Statements delivered to Administrative Agent or the Lenders prior to the Closing Date; provided that, for the avoidance of doubt, Product Revenue does not include any upfront fees, milestone or other payments that do not represent a portion of sales of the applicable Product by such licensee (or its sublicensees) pursuant to a Permitted Product Agreement.

"Projections" has the meaning specified in Section 4.8.

"Public Health Laws" means all Requirements of Law relating to the procurement, development, clinical and non-clinical evaluation, product approval or licensure, manufacture, production, analysis, wholesale, distribution, dispensing, importation, exportation, use, handling, quality, sale, labeling, promotion, clinical trial registration or post market requirements of any drug, biologic or other product (including, without limitation, any ingredient or component of the foregoing products) subject to regulation under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.) and the Public Health Service Act (42 U.S.C. § 201 et seq.), including without limitation: (1) the regulations promulgated by the FDA at Title 21 of the Code of Federal Regulations; (2) all applicable regulations promulgated by the National Institutes of Health ("NIH") and codified at Title 42 of the Code of Federal Regulations; (3), Good Laboratory Practices ("GLP"); (4) Good Clinical Practices ("GCP"); (5) Good Manufacturing Practices ("GMP")/Quality System ("QS"); (6) Regulation (EU) 536/2014 (EU Clinical Trials Regulation), Directive EU 2001/20/EC (Clinical Trials Directive), Regulation (EC) 1901/2006 (Pediatric Use), Regulation (EC) 726/2004 (authorization and supervision of medicinal products for human and veterinary use), Directive 2001/83/EC (Community code relating to medicinal products for human use), Directive 2010/84/EU on pharmacovigilance, Regulation (EU) 1235/2010 on pharmacovigilance, the Misleading and Comparative Advertising Directive (2006/114/EC), the Unfair Commercial Practices Directive (2005/29/EC), the delegated acts, implementing acts and guidelines based on these Directives and Regulations and any EU and EEA member state laws and regulations implementing the provisions of these Directives and Regulations and the corresponding delegated acts, implementing acts and guidelines, and any other laws regulating the development, testing, manufacturing, labeling, distribution, marketing and advertising, sale and distribution, and importing and exporting of drugs in the EU and the EU and EEA member states, and the UK Medicines and Medical Devices Act 2021; (7) and all equivalent foreign legislation and guidance, compliance, guides, and other policies issued by the FDA, the NIH, EMA, MHRA and other comparable Governmental Authorities, including foreign Governmental Authorities in the Specified Territories, as well as applicable Requirements of Law relating to the licensure of entities that manufacture or distribute drugs, biologics, or other regulated product.

"Public Lender" has the meaning specified in Section 10.1(b)(iii).

"Qualified Capital Stock" means, with respect to any Person, all Capital Stock of such Person that are not Disqualified Capital Stock.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Qualified Cash" means, as of any date of determination, the amount of unrestricted Cash and Cash Equivalents (other than restrictions created by the Collateral Documents) of the Loan Parties that is in Deposit Accounts or in Securities Accounts, or any combination thereof, which such Deposit Accounts or Securities Accounts are (after the post-closing period set forth in Section 5.13) subject to a Control Agreement, or in the case Deposit Accounts or Securities Accounts located or maintained outside of the United States, is otherwise subject to a perfected First Priority Lien in favor of the Administrative Agent; provided that in no event shall Qualified Cash include any Designated Deferred Consideration Proceeds.

"Real Estate Asset" means, at any time of determination, any Real Property owned by a Loan Party, but only to the extent such Real Property constitutes Collateral and is encumbered by a Mortgage pursuant to the terms of this Agreement.

"Real Property" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Company or any of its Subsidiaries.

"Recipient" means (a) the Administrative Agent or (b) any Lender, as applicable.

"Register" has the meaning specified in Section 2.3(b).

"Registrations" shall mean authorizations, approvals, licenses, permits, certificates, registrations, listings, certificates, or exemptions of or issued by any Governmental Authority (including marketing approvals, investigational new drug applications, product recertifications, manufacturing approvals and authorizations, pricing and reimbursement approvals, labeling approvals or their foreign equivalent) that are required for the research, development, manufacture, commercialization, distribution, marketing, storage, transportation, pricing, Governmental Authority reimbursement, use and sale of Products.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Regulatory Action" means an administrative or regulatory enforcement action, proceeding or investigation, settlement agreement, corporate integrity agreement, deferred or non-prosecution agreement, warning letter, untitled letter, Form 483 or similar inspectional observations, civil investigative demand, subpoena, other notice of violation letter, recall, seizure, Section 305 notice or other similar written communication, or consent decree, issued or required by the FDA, the U.S. Department of Health and Human Services or its departments thereunder, or under the Public Health Laws, the NIH, the EMA, the corresponding authorities in the EU and EEA member states, the MHRA or a comparable Governmental Authority in any other regulatory jurisdiction, including any inspectional observations recorded on a Form FDA 483, any Establishment Inspection Report, and any written request from the FDA or comparable agencies in the Specified Territories for a regulatory meeting.

"Reinvestment Amounts" has the meaning specified term in Section 2.10(a)(i).

"Related Fund" means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"Remedial Action" means all actions taken to (a) correct or address any actual or threatened non-compliance with Environmental Law, (b) clean up, remove, remediate, contain, treat, monitor, assess, evaluate or in any other way address Hazardous Materials in the indoor or outdoor environment, (c) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (d) perform pre-remedial studies and investigations and post-remedial operation and maintenance activities; or (e) perform any other response actions required by Environmental Law.

"Replacement Contract" has the meaning specified in Section 6.3.

"Replacement Lender" has the meaning specified in Section 2.18.

"Required Lenders" means [*].

"Required Prepayment Date" has the meaning specified in Section 2.11(a).

"Requirements of Law" means, with respect to any Person, collectively, the common law and all federal, state, provincial, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted Junior Payment" means (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of Capital Stock of Borrower now or hereafter outstanding, except a dividend payable solely in shares of Capital Stock to the holders of that class, together with any payment or distribution pursuant to a "plan of division" under the Delaware Limited Liability Act or any comparable transaction under any similar law, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of Borrower or any of its Subsidiaries that is not a Loan Party now or hereafter outstanding, (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of Borrower or any of its Subsidiaries that is not a Loan Party now or hereafter outstanding, (d) [reserved], and (e) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any contractually subordinated Indebtedness.

"RMB" means the lawful money of China.

"Roxadustat" means any product containing, whether alone or with any other active ingredient (a) Roxadustat, the chemical structure of which is set forth on Schedule 1.1(a), (b) any product that Borrower identifies and designates after the date hereof as a backup product for Roxadustat in accordance with Borrower's then-current business practices, (c) pro-drugs that directly or indirectly convert to a compound described in clause (a) or clause (b), (d) metabolites of any compound in clauses (a), (b) or (c), (e) pro-drugs that directly or indirectly convert to metabolites of any compound in clauses (a) or (b), and (f) any amorphous forms, co-crystals, stereoisomers, isotopic substitutions, salts, hydrates, solvates, and polymorphs of any compound described in clauses (a)-(e), in all forms, presentations, formulations or dosage forms.

"Roxadustat Patents" means the U.S. and foreign Patents owned or in-licensed by Company or any of its Subsidiaries, now or in the future, that are necessary for or material to the research, development, use or Commercialization of Roxadustat.

"Royalty Monetization Transaction" means any monetization transaction involving the sale, transfer, option or collateralization of (i) any monetary payments (contingent or otherwise) payable to Borrower or its Subsidiaries by a counterparty under a Product Agreement, or (ii) any Product Revenues, in each case whether in whole or in part, including but not limited to sales of royalty streams, royalty bonds and other royalty financings, synthetic royalty and revenue interest transactions (including but not limited to clinical trial funding arrangements), and hybrid monetization transactions.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation.

"Sanctioned Entity" means (a) a country or territory or a government of a country or territory, (b) an agency of the government of a country or territory, (c) an organization directly or indirectly controlled by the government of a country or territory, or (d) a Person resident in or determined to be resident in a country or territory, in each case of clauses (a) through (d) that is a target of Sanctions, including the target of any country or territory sanctions program administered and enforced by OFAC.

"Sanctioned Person" means, at any time (a) any Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, OFAC's consolidated Non-SDN list or any other Sanctions-related list maintained by any Governmental Authority, (b) a Person or legal entity that is a target of Sanctions, (c) any Person operating, organized or resident in a Sanctioned Entity, or (d) any Person directly or indirectly owned or controlled (individually or in the aggregate) by or acting on behalf of any such Person or Persons described in clauses (a) through (c) above.

"Sanctions" means individually and collectively, respectively, any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes, anti-terrorism laws and other sanctions laws, regulations or embargoes, including those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union or any European Union member state, (d) His Majesty's Treasury of the United Kingdom, or (e) any other Governmental Authority with jurisdiction over any Lender or any Loan Party or any of their respective Subsidiaries or Affiliates.

"Secured Parties" has the meaning assigned to that term in the Pledge and Security Agreement.

"Securities Account" means a securities account (as defined in the UCC).

"Securities Act" means the Securities Act of 1933.

"Senior Lender Intercreditor Agreement" means that certain Senior Lender Intercreditor Agreement dated as of the date hereof among the Astellas Royalty Agent, under the Astellas Royalty Transaction Agreement, and the Administrative Agent.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"Solvency Certificate" means a Solvency Certificate substantially in the form of Exhibit E.

"Solvent" means, with respect to any Loan Party, that as of the date of determination, both (a)(i) the sum of such Loan Party's debt (including contingent liabilities) does not exceed the present fair saleable value of such Loan Party's present assets, (ii) [*], and (iii) such Loan Party has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise) and (b) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances and, [*], unfair preference. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Territories" means [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Subsidiary" means, with respect to any Person, any corporation, company, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock, shares, or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding. When used herein, "Subsidiary" shall mean a Subsidiary of Borrower unless otherwise specified.

"Tax" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding (including backup withholding) or other charge imposed by any Governmental Authority, and any interest, penalties, additions to tax or other liabilities with respect thereto.

"Tax Distributions" means for any taxable period in which a Borrower is a member of a consolidated, combined, unitary or similar group for U.S. federal and applicable state and local income tax purposes, distributions to the common parent of such consolidated, combined, unitary or similar group to permit such common parent to pay (a) Taxes then due and owing by such common parent on behalf of such consolidated, combined, unitary or similar group, to the extent such Taxes are attributable to the income of the Borrower and/or any Subsidiary of Borrower, and (b) franchise Taxes and other similar fees, Taxes (other than income Taxes) imposed on it and expenses required to maintain the corporate existence such common parent and any intermediate holding companies in the chain of ownership between the Borrower and such common parent; provided that for each taxable period the amount of the Tax Distribution shall not be greater than the amount of such taxes that would have been due and payable by the Borrower and its relevant Subsidiaries filed in a consolidated, combined, unitary or similar type return with the Borrower as the consolidated parent.

"Term Loan" means, collectively, the Initial Term Loan and each Delayed Draw Term Loan.

"Term Loan Commitment" means, collectively, the Initial Term Loan Commitment and the Delayed Draw Term Loan Tranche A Commitment.

"Term Loan Maturity Date" means [*].

"Term SOFR" means, for any calculation with respect to the Term SOFR Reference Rate for a tenor of three months on the day (such day, the "Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Terminated Lender" has the meaning specified in Section 2.18.

"Test Date" has the meaning specified in the definition of Excluded Subsidiary.

"Title Company" has the meaning specified in Section 5.11.

"Title Policy" has the meaning specified in Section 5.11.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

"Total Initial Term Loan Commitment" means the sum of the amounts of the Lenders' Initial Term Loan Commitments.

"Tranche B Election Notice" shall mean [*]

"Transaction Costs" means the reasonable and documented fees, costs and expenses payable by Borrower or any of its Subsidiaries on or before the Closing Date in connection with the transactions contemplated by the Loan Documents.

"United Kingdom" or "UK" means the United Kingdom of Great Britain and Northern Ireland.

"U.S." or "United States" means the United States of America (including all possessions and territories thereof).

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Loan Parties" means, collectively, Loan Parties organized under the laws of the United States of America, any State thereof or the District of Columbia. As of the Closing Date, the U.S. Loan Parties are the Borrower and FibroGen INTL LLC, a Delaware limited liability company.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.15(d)(i)(B)(3).

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"Waivable Mandatory Prepayment" has the meaning specified in Section 2.11(b).

"Weighted Average Life to Maturity" means, [*]

Section 1.2 Accounting and Other Terms.

(a) Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Borrower to Lenders pursuant to Sections 5.1(b) and 5.1(c) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Subject to the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the Historical Financial Statements. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, (i) Indebtedness of Borrower and its Subsidiaries shall be deemed to be carried at [*] of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470 20 on financial liabilities shall be disregarded, (ii) with respect to the accounting for leases as either operating leases or capital leases and the impact of such accounting in accordance with FASB ASC 840 on the definitions and covenants herein, GAAP as in effect on December 31, 2018 shall be applied and (iii) with respect to revenue recognition and the impact of such accounting in accordance with FASB ASC 606 on the definitions and covenants herein, GAAP as in effect on December 31, 2017 shall be applied.

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

(c) For purposes of determining compliance with any incurrence or expenditure tests set forth in this Agreement, any amounts so incurred or expended (to the extent incurred or expended in a currency other than Dollars ($)) shall be converted into Dollars on the basis of the exchange rates (as shown on the Bloomberg currency page for such currency or, if the same does not provide such exchange rate, by reference to such other recognized and publicly available service for displaying exchange rates as may be reasonably selected by Administrative Agent or the Required Lenders or, in the event no such service is available, on such other basis as is reasonably satisfactory to Administrative Agent or the Required Lenders) as in effect on the date of such incurrence or expenditure under any provision of any such Section that has an aggregate Dollar limitation provided for therein (and to the extent the respective incurrence or expenditure test regulates the aggregate amount outstanding at any time and it is expressed in terms of Dollars, all outstanding amounts originally incurred or spent in currencies other than Dollars shall be converted into Dollars on the basis of the exchange rates (as shown on the Bloomberg currency page for such currency or, if the same does not provide such exchange rate, by reference to such other recognized and publicly available service for displaying exchange rates as may be reasonably selected by Administrative Agent or the Required Lenders or, in the event no such service is available, on such other basis as is reasonably satisfactory to Administrative Agent) as in effect on the date of any new incurrence or expenditures made under any provision of any such Section that regulates the Dollar amount outstanding at any time).

Section 1.3 Interpretation, Etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The word “will” shall be construed to have the same meaning and effect as the word “shall.” References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word “include” or “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not no limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any right or interest in or to assets and properties of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations or Guaranteed Obligations shall mean (a) the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, including any Applicable Premium,(ii) all costs, expenses, or indemnities payable pursuant to Section 10.2 or Section 10.3 of this Agreement that have accrued and are unpaid other than contingent liabilities for which no claim has been made in writing, and (iii) all fees, charges (including loan fees, service fees, professional fees, and expense reimbursement) and other Obligations that have accrued hereunder or under any other Loan Document and are unpaid (other than contingent liabilities for which no claim has been made in writing), and (b) the termination of all of the Term Loan Commitments. Notwithstanding anything in this Agreement to the contrary, (A) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (B) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be enacted, adopted, issued, phased in or effective after the date of this Agreement regardless of the date enacted, adopted, issued, phased in or effective. Unless the context requires otherwise (a) any definition of or reference to any Loan Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in any Loan Document), (b) any reference to any law or regulation shall (i) include all statutory and regulatory provisions consolidating, amending, replacing or interpreting or supplementing such law or regulation, and (ii) unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (c) any reference herein to any Person shall be construed to included such Person’s successors and permitted assigns. This Section 1.3 shall apply, *mutatis mutandis*, to all Loan Documents.

Section 1.4 Time References. Unless otherwise indicated herein, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York City on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding"; provided, however, that with respect to a computation of fees or interest payable to Administrative Agent or any Lender, such period shall in any event consist of at least one full day.

Section 1.5 Certain Matters of Construction. References in this Agreement to "determination" by Administrative Agent shall be deemed to refer to "determinations" by the Required Lenders and include good faith estimates by the Required Lenders (in the case of quantitative determinations) and good faith beliefs by the Required Lenders (in the case of qualitative determinations). [*] Any Lien referred to in this Agreement or any other Loan Document as having been created in favor of Administrative Agent, any agreement entered into by Administrative Agent pursuant to this Agreement or any other Loan Document, any payment made by or to or funds received by Administrative Agent pursuant to or as contemplated by this Agreement or any other Loan Document, or any act taken or omitted to be taken by Administrative Agent, shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of Administrative Agent and the Lenders. [*] All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder.

Section 1.6 [Reserved].

Section 1.7 Limited Condition Transactions. [*]

ARTICLE II

LOANS

Section 2.1 Term Loans.

(a) Initial Term Loans; Delayed Draw Term Loans Tranche A; Delayed Draw Term Loans Tranche B. Subject to the terms and conditions hereof:

(i) each Lender severally agrees to make, on the Initial Funding Date, an Initial Term Loan to Company in an amount equal to such Lender's Initial Term Loan Commitment;

(ii) each Lender severally agrees to make, on one occasion during the Delayed Draw Commitment Period (and, in any event, during the Delayed Draw Commitment Period, the company shall be obligated to request), Delayed Draw Term Loans Tranche A to Company in an aggregate amount equal to such Lender's Delayed Draw Term Loan Tranche A Commitment; and

(iii) subject to the approval of Lenders in their sole discretion, each Lender may, severally and not jointly, make Delayed Draw Term Loans Tranche B to Company in an aggregate amount not to exceed $37,500,000 on the DDTL Funding Date.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Company may make only one borrowing under the Initial Term Loan Commitment, which shall be on the Initial Funding Date, and may make only one borrowing under the Delayed Draw Term Loan Tranche A Commitment. Any amount borrowed under this Section 2.1(a) and subsequently repaid or prepaid may not be reborrowed. Subject to Section 2.9, all amounts owed hereunder with respect to the Term Loan shall be paid in full no later than the Term Loan Maturity Date. Each Lender's Initial Term Loan Commitment and Delayed Draw Commitment shall terminate immediately and without further action on the Credit Date on which such Lender funds Initial Term Loans or Delayed Draw Term Loans, respectively, after giving effect to the funding of such Term Loans on such Credit Date.

(b) Borrowing Mechanics for Term Loans.

(i) Company shall deliver to Administrative Agent a fully executed Funding Notice no later than [*] permitted by Administrative Agent), with respect to Term Loans made on the Initial Funding Date. Following the Initial Funding Date (and subject to the conditions set forth in Section 3.2), during the Delayed Draw Commitment Period, Company shall deliver to Administrative Agent a fully executed Funding Notice [*] permitted by the Administrative Agent. [*] upon receipt by Administrative Agent of any such Funding Notice, Administrative Agent shall notify each Lender of the proposed borrowing. Administrative Agent and Lenders (A) may act without liability upon the basis of written or facsimile notice believed by Administrative Agent in good faith to be from Company (or from any Authorized Officer thereof designated in writing purportedly from Company to Administrative Agent), (B) shall be entitled to rely conclusively on any Authorized Officer's authority to request a Term Loan on behalf of Company until Administrative Agent receives written notice to the contrary, and (C) shall have no duty to verify the authenticity of the signature appearing on any written Funding Notice.

(ii) Each Lender shall make its applicable Term Loan available to Administrative Agent [*], at Administrative Agent's Principal Office. Upon satisfaction or waiver of the conditions precedent specified herein as confirmed in writing by the Lenders (or their counsel) to the Administrative Agent, following Administrative Agent's receipt of each wire transfer from the Lenders, Administrative Agent shall make the proceeds of the applicable Term Loans available to Company [*].

(iii) Upon satisfaction of the Delayed Draw Funding Milestone, Company shall make one (1) draw of Delayed Draw Term Loans Tranche A on the DDTL Funding Date in the principal amount of $37,500,000.

(iv) If the Lenders, in their sole discretion, provide the Tranche B Election Notice within the timeframe described in the definition thereof, the Company shall make one (1) draw of Delayed Draw Term Loans Tranche B in the principal amount of up to the amount specified in the Tranche B Election Notice (which shall not exceed $37,500,000) on the DDTL Funding Date.

(c) Pro Rata Shares; Availability of Funds.

(i) Pro Rata Shares. [*].

(ii) Availability of Funds. [*]

Section 2.2 Use of Proceeds. [*]

Section 2.3 Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. [*]

(b) Register. Administrative Agent shall maintain at its Principal Office a register for the recordation of the names and addresses of Lenders and the principal amount of the Term Loans (and stated interest therein) of each Lender from time to time (the "Register"). The Register shall be available for inspection by Company and the Lenders at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record in the Register the Term Loans (and stated interest thereon), and each repayment or prepayment in respect of the principal amount of the Term Loans, and any such recordation shall be conclusive and binding on Company and each Lender, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect Company's Obligations in respect of any Term Loan. Company hereby designates the entity serving as Administrative Agent to serve as Company's non-fiduciary agent solely for purposes of maintaining the Register as provided in this Section 2.3, and Company hereby agrees that, to the extent such entity serves in such capacity, the entity serving as Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute "Indemnitees."

(c) Notes. [*]

Section 2.4 Interest.

(a) [*].

(b) [reserved].

(c) [reserved].

(d) [*].

(e) [*].

Section 2.5 [Reserved].

Section 2.6 Default Interest. [*].

Section 2.7 Fees.

(a) [*]

(b) [*]

(c) [*]

Section 2.8 Repayment of Term Loans. [*].

Section 2.9 Voluntary Prepayments and Commitment Reductions.

(a) Voluntary Prepayments.

(i) [*].

(ii) [*]

(b) Voluntary Commitment Termination. [*]

Section 2.10 Mandatory Prepayments.

(a) Asset Sales.

(i) [*]

(ii) Nothing contained in this Section 2.10(a) shall permit Borrower or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 6.9.

(b) Insurance/Condemnation Proceeds. [*]

(c) Issuance of Debt. [*].

(d) [*]

(e) Prepayment Certificate. Concurrently with any prepayment of the Term Loan pursuant to Section 2.10(a) through Section 2.10(d), Company shall deliver to Administrative Agent a written notice of such prepayment and a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds and compensation owing to Lenders pursuant to the Lender Fee Letter, if any, as the case may be. [*]

Section 2.11 Application of Prepayments.

(a) Application of Prepayments of Term Loans. [*]

(b) Waivable Mandatory Prepayment. [*]

(c) [*]

Section 2.12 General Provisions Regarding Payments.

(a) [*].

(b) [*].

(c) [*].

(d) [*].

(e) [*].

(f) [*]

(g) [*]

(h) In the event of a direct conflict between the priority provisions of Section 2.12(f) and other provisions contained in any other Loan Document, it is the intention of the parties hereto that both such priority provisions in such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of Section 2.12(f) shall control and govern.

Section 2.13 Ratable Sharing. Lenders hereby agree among themselves that, except as otherwise provided in the Collateral Documents with respect to amounts realized from the exercise of rights with respect to Liens on the Collateral, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Term Loans made and applied in accordance with the terms hereof), through the exercise of any right of set off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Loan Documents (collectively, the "Aggregate Amounts Due" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender having Term Loans, then the Lender receiving such proportionately greater payment shall (a) notify Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders having Term Loans in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Company or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. Company expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, set off or counterclaim with respect to any and all monies owing by Company to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

Section 2.14 Increased Costs; Capital Adequacy Adjustment.

(a) Compensation For Increased Costs and Taxes. Subject to the provisions of Section 2.15 (which shall be controlling with respect to the matters covered thereby), in the event that Administrative Agent or any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or Governmental Authority, in each case that becomes effective after the date hereof, or compliance by Administrative Agent or such Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi-Governmental Authority (whether or not having the force of law): (i) subjects Administrative Agent or such Lender (or its applicable lending office) to any additional Tax (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) with respect to this Agreement or any of the other Loan Documents or any of its obligations hereunder or thereunder or any payments to Administrative Agent or such Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of Administrative Agent or such Lender; or (iii) imposes any other condition (other than with respect to Taxes) on or affecting Administrative agent or such Lender (or its applicable lending office) or its obligations hereunder; and the result of any of the foregoing is to increase the cost to Administrative Agent or such Lender of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by Administrative Agent or such Lender (or its applicable lending office) with respect thereto; then, in any such case, Company shall [*] pay to Administrative Agent or such Lender, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as Administrative Agent or such Lender in its sole discretion shall determine) as may be necessary to compensate Administrative Agent or such Lender for any such increased cost or reduction in amounts received or receivable hereunder. Administrative Agent or such Lender shall deliver to Company (with a copy to Administrative Agent, if applicable) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Administrative Agent or such Lender under this Section 2.14(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) Capital Adequacy Adjustment. In the event that any Lender shall have determined that the adoption, effectiveness, phase in or applicability after the Closing Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or its applicable lending office) with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of, or with reference to, such Lender's Term Loans or other obligations hereunder with respect to the Term Loan to a level below that which such Lender or such controlling corporation could have achieved but for such adoption, effectiveness, phase in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling corporation with regard to capital adequacy), then from time to time, within [*] after receipt by Company from such Lender of the statement referred to in the next sentence, Company shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling corporation on an after tax basis for such reduction. Such Lender shall deliver to Company (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender under this Section 2.14(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

Section 2.15 Taxes; Withholding, Etc.

(a) Withholding of Taxes. All sums payable by any Loan Party hereunder and under the other Loan Documents shall (except to the extent required by applicable law) be paid free and clear of, and without any deduction or withholding on account of, any Tax. If any Loan Party or any other Person is required by law to make any deduction or withholding on account of any Tax from any sum paid or payable by any Loan Party to Administrative Agent or any Lender under any of the Loan Documents: (1) Company shall notify Administrative Agent of any such requirement or any change in any such requirement as soon as Company becomes aware of it; (2) Company or the applicable Loan Party shall pay any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Loan Party) for its own account or (if that liability is imposed on Administrative Agent or such Lender, as the case may be) on behalf of and in the name of Administrative Agent or such Lender; (3) if such Tax is an Indemnified Tax, then the sum payable by such Loan Party shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment (including any such deductions, withholdings or payments applicable to additional sums payable under this Section 2.15), Administrative Agent or such Lender, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (4) within [*] after paying any sum from which it is required by law to make any deduction or withholding, Company shall deliver to Administrative Agent evidence satisfactory to Administrative Agent of such deduction, withholding or payment and of the remittance thereof to the relevant Governmental Authority.

(b) Other Taxes. The Loan Parties shall pay to the relevant Governmental Authorities (or, at the option of Administrative Agent, timely reimburse it for the payment of) any present or future stamp, court, documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes that arise from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document ("Other Taxes"). Within [*] after paying any such Other Taxes, each Loan Party shall deliver to Administrative Agent evidence satisfactory to Administrative Agent that such Other Taxes have been paid to the relevant Governmental Authority.

(c) Tax Indemnification.

(i) The Loan Parties hereby jointly and severally indemnify and agree to hold Administrative Agent and any Lender harmless from and against all Indemnified Taxes (including, without limitation, Indemnified Taxes imposed or asserted on or attributable to any amounts payable under this Section 2.15) payable or paid by such Person or required to be withheld or deducted from a payment to such Person and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted. Such indemnification shall be paid within [*] from the date on which Administrative Agent or Lender makes written demand therefor. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(ii) Each Lender shall severally indemnify Administrative Agent, within [*] after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Loan Parties have not already indemnified Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.6(h)(ii) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative 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. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Administrative 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 Administrative Agent to the Lender from any other source against any amount due to Administrative Agent under this paragraph.

(d) Evidence of Exemption From Withholding Tax.

(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 Administrative Agent, at the time or times reasonably requested by Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower or Administrative Agent as will enable Borrower or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.15(d)(i)(A), (i)(B) and (iii)) 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. Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or [*] notify the Borrower and the Administrative Agent in writing of its legal inability to do so. Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Borrower.

(A) any Lender that is a U.S. Person shall deliver to Borrower and Administrative Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), whichever of the following is applicable:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, an executed copy of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" related to any Loan Party described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(ii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Borrower or Administrative Agent to determine the withholding or deduction required to be made; and

(iii) If a payment made to a Lender under any Loan Document would be subject to United States 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 Internal Revenue Code, as applicable), such Lender shall deliver to Company and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Company or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Company or Administrative Agent as may be necessary for Company and Administrative 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. Solely for purposes of this Section 2.15(d)(iii), FATCA shall include any amendments made to FATCA after the date of this Agreement. Notwithstanding the above, a Lender shall not be required to deliver any form or other form of documentation pursuant to this Section 2.15(d)(iii) that such Lender is not legally able to deliver.

(e) 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 (including by the payment of additional amounts pursuant to this Section), 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 (e) (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 (e), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (e) 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.

Section 2.16 Obligation to Mitigate. Each Lender agrees that, as [*] as practicable after the officer of such Lender responsible for administering its Term Loans becomes aware of the occurrence of an event or the existence of a condition that would entitle such Lender to receive payments under Section 2.13, 2.14 or 2.15, it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Credit Extensions, through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.13, 2.14 or 2.15 would be materially reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Term Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Term Loans or the interests of such Lender; provided, such Lender will not be obligated to utilize such other office pursuant to this Section 2.16 unless Company agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office as described above. A certificate as to the amount of any such expenses payable by Company pursuant to this Section 2.16 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to Company (with a copy to Administrative Agent) shall be conclusive absent manifest error.

Section 2.17 Defaulting Lenders. Anything contained herein to the contrary notwithstanding, in the event that any Lender violates any provision of Section 9.5(c), or, other than at the direction or request of any regulatory agency or authority, defaults (in each case, a "Defaulting Lender") in its obligation to fund (a "Funding Default") a Term Loan (in each case, a "Defaulted Loan"), then (a) during any Default Period with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender" for purposes of voting on any matters (including the granting of any consents or waivers) with respect to any of the Loan Documents; and (b) to the extent permitted by applicable law, until such time as the Default Excess, if any, with respect to such Defaulting Lender shall have been reduced to zero, (i) any voluntary prepayment of the Term Loans shall, if Administrative Agent so directs at the time of making such voluntary prepayment, be applied to Term Loans of other Lenders as if such Defaulting Lender had no Term Loans outstanding and the outstanding Term Loans of such Defaulting Lender were zero, and (ii) any mandatory prepayment of the Term Loans shall, if Administrative Agent so directs at the time of making such mandatory prepayment, be applied to the Term Loans of other Lenders (but not to the Term Loans of such Defaulting Lender) as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender, it being understood and agreed that Company shall be entitled to retain any portion of any mandatory prepayment of the Term Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (b). No Term Loan Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in this Section 2.17, performance by Company of its obligations hereunder and the other Loan Documents shall not be excused or otherwise modified as a result of any Funding Default or the operation of this Section 2.17. The rights and remedies against a Defaulting Lender under this Section 2.17 are in addition to other rights and remedies which Company may have against such Defaulting Lender with respect to any Funding Default and which Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default or violation of Section 9.5(c).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 2.18 Removal or Replacement of a Lender. Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender (an "Increased Cost Lender") shall give notice to Company that such Lender is entitled to receive payments under Section 2.14, 2.15 or 2.16, (ii) the circumstances which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within [*] after Company's request for such withdrawal; or (b) (i) any Lender shall become a Defaulting Lender, (ii) the Default Period for such Defaulting Lender shall remain in effect, and (iii) such Defaulting Lender shall fail to cure the default as a result of which it has become a Defaulting Lender within [*] after Company's request that it cure such default; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 10.5(b), the consent of Administrative Agent and Required Lenders shall have been obtained but the consent of one or more of such other Lenders (each a "Non-Consenting Lender") whose consent is required shall not have been obtained; then, with respect to each such Increased Cost Lender, Defaulting Lender or Non-Consenting Lender (the "Terminated Lender"), Company may by giving written notice to Administrative Agent and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Term Loans in full to one or more Eligible Assignees (each a "Replacement Lender") in accordance with the provisions of Section 10.6 and Terminated Lender shall pay any fees payable thereunder in connection with such assignment; provided, (1) [*], the Replacement Lender shall pay to Terminated Lender [*] pursuant to Section 2.7; (2) [*], Company shall pay any amounts payable to such Terminated Lender pursuant to Section 2.14 or 2.15; and (3) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender. Upon the prepayment of all amounts owing to any Terminated Lender, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender. For the avoidance of doubt, all fees that would otherwise be due and payable to any Non-Consenting Lender, including, without limitation, any Applicable Premium, shall continue to be due and payable to such Non-Consenting Lender; provided that, any payments in connection with such assignment pursuant to this Section 2.18 shall not be subject to the Applicable Premium pursuant to Section 2.11(a).

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1 Closing Date. The effectiveness of this Agreement, and the obligation of each Lender to make a Credit Extension on the Initial Funding Date, is subject to the satisfaction, or waiver by the Required Lenders, of the following conditions on or before the Closing Date:

(a) Loan Documents. Administrative Agent shall have received copies of each Loan Document duly executed and delivered by each applicable Loan Party and each Lender.

(b) Organizational Documents; Incumbency. Administrative Agent shall have received a Secretary's or Director's Certificate for each Loan Party attaching (i) copies of each Organizational Document of such Loan Party and, to the extent applicable, certified as of a recent date by the appropriate governmental official, each dated the Closing Date or a recent date prior thereto; (ii) signature and, to the extent applicable, incumbency certificates of the officers or directors of such Person executing the Loan Documents to which it is a party; (iii) resolutions of the Board of Directors or similar governing body of such Loan Party approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by its secretary, assistant secretary or a director as being in full force and effect without modification or amendment; (iv) the unanimous resolutions of all shareholders of FibroGen International (Hong Kong) Limited approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party, certified as of the Closing Date by a director of FibroGen International (Hong Kong) Limited as being in full force and effect without modification or amendments; (v) a good standing certificate (to the extent such concept exists) from the applicable Governmental Authority of such Loan Party's jurisdiction of incorporation, organization or formation and in each jurisdiction in which it is qualified as a foreign corporation or other entity to do business, each dated a recent date prior to the Closing Date; and (vi) such other documents as Administrative Agent or the Lenders may reasonably request.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) Organizational and Capital Structure. The organizational structure and capital structure of Borrower and its Subsidiaries shall be as set forth on Schedule 4.2.

(d) Governmental Authorizations and Consents. Each Loan Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Loan Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Loan Documents or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(e) Personal Property Collateral. In order to create in favor of Administrative Agent, for the benefit of Secured Parties, a valid, perfected First Priority security interest in the personal property Collateral, Administrative Agent shall have received:

(i) evidence satisfactory to Administrative Agent of the compliance by each Loan Party of their obligations under the Pledge and Security Agreement and the other Collateral Documents (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver UCC financing statements, originals of Capital Stock (including stock certificates, if any, representing pledged Capital Stock along with appropriate endorsements), instruments and chattel paper, and any agreements governing deposit and/or securities accounts as provided therein and a duly executed authorization to pre-file UCC-1 financing statements), together with (A) appropriate financing statements on Form UCC-1 in form for filing in such office or offices as may be necessary or, in the opinion of Administrative Agent, desirable to perfect the security interests purported to be created by each Pledge and Security Agreement and each other Collateral Document and (B) evidence satisfactory to Administrative Agent of the filing of such UCC-1 financing statements;

(ii) a completed Perfection Certificate dated the Closing Date and executed by an Authorized Officer of each Loan Party, together with all attachments contemplated thereby, including (A) the results of a recent search, by a Person satisfactory to Administrative Agent, of all effective UCC financing statements (or equivalent filings) made with respect to any assets or property of any Loan Party in the jurisdictions specified in the Perfection Certificate, together with copies of all such filings disclosed by such search, and (B) UCC termination statements (or similar documents) duly executed by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search (other than any such financing statements in respect of Permitted Liens); and

(f) Financial Statements; Projections. Lenders shall have received from Borrower (i) the Historical Financial Statements, (ii) pro forma consolidated balance sheets of Borrower and its Subsidiaries as at the Closing Date, and reflecting the transactions contemplated by the Loan Documents to occur on or prior to the Closing Date, which pro forma financial statements shall be in form and substance satisfactory to Administrative Agent, and (iii) the Projections.

(g) [Reserved].

(h) Opinions of Counsel to Loan Parties. [*].

(i) Fees. Company shall have paid to Administrative Agent, the fees and expenses then due and payable pursuant to Section 2.7 and Section 10.2.

(j) Solvency Certificate. On the Closing Date, Administrative Agent shall have received a duly executed Solvency Certificate of the chief financial officer of Borrower, dated as of the Closing Date and addressed to Administrative Agent, and in form, scope and substance satisfactory to Administrative Agent and the Lenders, certifying that after giving effect to the consummation of the transactions contemplated herein including the funding of the Initial Term Loan on the Initial Funding Date, Borrower and its Subsidiaries are and will be Solvent.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(k) Closing Date Certificate. Company shall have delivered to Administrative Agent a duly executed Closing Date Certificate, together with all attachments thereto.

(l) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the reasonable discretion of Administrative Agent, singly or in the aggregate, materially impairs the transactions contemplated by the Loan Documents or that would reasonably be expected to have a Material Adverse Effect.

(m) [Reserved].

(n) No Material Adverse Effect/Material Regulatory Liability. Since December 31, 2022, no event, circumstance or change shall have occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect or a Material Regulatory Liability.

(o) Completion of Proceedings. All partnership, corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto not previously found acceptable by Administrative Agent, shall be satisfactory in form and substance to Administrative Agent, and Administrative Agent shall have received all such counterpart originals or certified copies of such documents as Administrative Agent may reasonably request.

(p) Bank Regulations. Administrative Agent shall have received all documentation and other information reasonably requested that is required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the Patriot Act, and all such documentation and other information shall be in form and substance reasonably satisfactory to Administrative Agent.

(q) [Reserved].

(r) Representations and Warranties. The representations and warranties contained herein and in each other Loan Document, certificate or other writing delivered to Administrative Agent or any Lender pursuant hereto or thereto on or prior to the date hereof shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as the date hereof to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date.

(s) No Default or Event of Default. No event shall have occurred and be continuing or would result from the consummation of the transactions contemplated herein that would constitute an Event of Default or a Default.

(t) No Contravention. The making of the Term Loan shall not contravene any law, rule or regulation applicable to Administrative Agent or any Lender.

(u) Registrations. All Registrations from the relevant Governmental Authority in the Specified Territories in respect of Roxadustat shall be valid and subsisting and in full force and effect.

Each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document or item required to be approved by or satisfactory to Administrative Agent, Required Lenders or Lenders, as applicable, on the Closing Date.

Section 3.2 Conditions to Each Credit Extension. The obligation of each Lender to make the Initial Term Loan on the Initial Funding Date or any other Loan on any date following the Closing Date is subject to the satisfaction, or waiver by the Required Lenders, of the following conditions precedent:

(b) Funding Notice. Administrative Agent shall have received a fully executed and delivered Funding Notice as and when required by Section 2.1(b)(i).

(c) Representations and Warranties. As of as of the applicable Credit Date, the representations and warranties contained herein and in each other Loan Document, certificate or other writing delivered to the Administrative Agent or any Lender pursuant hereto or thereto on or prior to the Credit Date shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of that Credit Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date;

(d) No Default or Event of Default. As of as of the applicable Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(e) Minimum Qualified Cash.

(i) With respect to the Initial Funding Date, Administrative Agent shall have received evidence reasonably satisfactory to it that the Loan Parties shall be in compliance with Section 6.8 on the Initial Funding Date [*].

(ii) With respect to any other Credit Date, Administrative Agent shall have received evidence reasonably satisfactory to it that the Loan Parties shall be in compliance with Section 6.8 on such Credit Date [*].

(f) Fees. On each Credit Date, the Loan Parties shall have paid all fees, costs and expenses then payable by the Loan Parties pursuant to this Agreement and the other Loan Documents, including, without limitation, Section 2.7, and Section 10.2 hereof.

(g) Funding Milestones. With respect to any Delayed Draw Term Loan Tranche A, on the DDTL Funding Date, the Delayed Draw Funding Milestone shall have occurred and the Company shall have delivered a certificate executed by an Authorized Officer certifying that the Delayed Draw Funding Milestone has occurred.

(h) Lender Approval. With respect to any Delayed Draw Term Loan Tranche B, the funding of such Delayed Draw Term Loan Tranche B shall have been approved by each applicable Lender in its sole and absolute discretion (as evidenced by the delivery of a Tranche B Election Notice).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and Lenders to enter into this Agreement and to make each Credit Extension to be made thereby, each Loan Party represents and warrants to the Administrative Agent and Lenders, [*], that the following statements are true and correct:

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 4.1 Organization; Requisite Power and Authority; Qualification. Each of Borrower and its Subsidiaries (a) is duly organized or incorporated, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of organization or incorporation as identified in Schedule 4.1 (to the extent applicable) as of the Closing Date, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby and, in the case of Company, to make the borrowings hereunder, and (c) is qualified to do business and, to the extent applicable, in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or, to the extent applicable, in good standing has not had, and would not be reasonably expected to have, a Material Adverse Effect.

Section 4.2 Capital Stock and Ownership. The Capital Stock of each of Borrower and its Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except as set forth on Schedule 4.2, as of the date hereof, there is no existing option, warrant, call, right, commitment or other agreement to which Borrower or any Subsidiary of Borrower is a party requiring, and there is no membership interest or other Capital Stock of such Subsidiary outstanding which upon conversion or exchange would require, the issuance by Borrower or any of its Subsidiaries of any additional membership interests or other Capital Stock of Borrower or any of its Subsidiaries or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of Borrower or any of its Subsidiaries. Schedule 4.2 correctly sets forth the ownership interest of Borrower and each of its Subsidiaries in their respective Subsidiaries as of the Closing Date.

Section 4.3 Due Authorization. The execution, delivery and performance of the Loan Documents and the consummation by each Loan Party of the transactions contemplated hereby and by the other Loan Documents have been duly authorized by all necessary action on the part of each Loan Party that is a party thereto.

Section 4.4 No Conflict. The execution, delivery and performance by Loan Parties of the Loan Documents to which they are parties and the consummation of the transactions contemplated by the Loan Documents do not and will not (a) violate any provision of (i) any law or any governmental rule or regulation applicable to Borrower or any of its Subsidiaries, (ii) any of the Organizational Documents of Borrower or any of its Subsidiaries, or (iii) any order, judgment or decree of any court or other agency of government binding on Borrower or any of its Subsidiaries, except, in the cases of clauses (a)(i) and (a)(iii), as would not reasonably be expected to result in a Material Adverse Effect; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Material Contract or Other Relevant Contract; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Borrower or any of its Subsidiaries (other than any Liens created under any of the Loan Documents in favor of Administrative Agent, on behalf of Secured Parties); (d) result in any default, non-compliance, suspension revocation, impairment, forfeiture or non-renewal of any permit, license, authorization or approval applicable to its operations or any of its properties except as would not reasonably be expected to result in a Material Adverse Effect; or (e) require any approval of stockholders, members or partners or any approval or consent of any Person under any Material Contract or Other Relevant Contract, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to Lenders.

Section 4.5 Governmental Consents. As of the Closing Date, the execution, delivery and performance by Loan Parties of the Loan Documents to which they are parties and the consummation of the transactions contemplated by the Loan Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Administrative Agent or the Lenders on behalf of the Adminstrative Agent for filing and/or recordation.

Section 4.6 Binding Obligation. Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

Section 4.7 Historical Financial Statements. The Historical Financial Statements were prepared in conformity with GAAP and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year end adjustments and the absence of footnotes. As of the Closing Date, neither Borrower nor any of its Subsidiaries has any contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not reflected in the Historical Financial Statements or the notes thereto and which in any such case is material in relation to the business, operations, properties, assets and, condition (financial condition or otherwise) of the Company and prospects of Borrower and any of its Subsidiaries taken as a whole.

Section 4.8 Projections. On and as of the Closing Date, the Projections of Borrower and its Subsidiaries for the period of Fiscal Year 2023 through and including Fiscal Year 2026, (the "Projections") are based on good faith estimates and assumptions made by the management of Borrower; provided, the Projections are not to be viewed as facts and that actual results during the period or periods covered by the Projections may differ from such Projections and that the differences may be material; provided, further, as of the Closing Date, management of Borrower believed that the Projections were reasonable.

Section 4.9 No Material Adverse Effect. Since December 31, 2022, no event, circumstance or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

Section 4.10 Adverse Proceedings, Etc. There are no Adverse Proceedings that (a) relate to any Loan Document or the transactions contemplated hereby or thereby or (b) individually or in the aggregate, would materially impair Administrative Agent's security interest in the Collateral, Borrower's and its Subsidiaries' respective rights, powers or remedies with respect to applicable Products or could otherwise reasonably be expected to have a Material Adverse Effect. Neither Borrower nor any of its Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules, laws or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign except to the extent such default could not reasonably be expected to result in a Material Adverse Effect.

Section 4.11 Payment of Taxes. All federal and state Tax returns and all other material Tax returns and reports of Borrower and its Subsidiaries required to be filed by or with respect to any of them have been timely filed, and all federal and state Taxes and all other material Taxes due and payable upon Borrower and its Subsidiaries and upon or with respect to their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable, except for Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP. There is no pending or, to the knowledge of Borrower, proposed Tax assessment, deficiency, audit or other proceeding against Borrower or any of its Subsidiaries. Notwithstanding the foregoing, in the case of any Credit Date, matters occuring after the Closing Date that are permitted under Section 5.3 shall not violate this Section 4.11 with respect to such Credit Date.

Section 4.12 Properties, Title. Each of Borrower and its Subsidiaries has (a) good, sufficient, marketable and legal title to (in the case of fee interests in real property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and valid title to (in the case of all other personal property), all of their respective properties and assets reflected in their respective Historical Financial Statements referred to in Section 4.7 and in the most recent financial statements delivered pursuant to Section 5.1, in each case except for (i) assets disposed of since the date of such financial statements in the ordinary course of business or as otherwise permitted under Section 6.9 or (ii) defects in title or interests which would not, individually or in the aggregate, reasonably be expected to interfere with the Borrower or its applicable Subsidiary's ability to conduct its business as currently conducted or utilize such property for its intended purpose. All such properties and assets are in working order and condition, ordinary wear and tear excepted, and except as permitted by this Agreement, all such properties and assets are free and clear of Liens (other than Permitted Liens). As of the Closing Date, Schedule 4.12 contains a true, accurate and complete list of all property owned or leased by Borrower and its Subsidiaries or where Collateral or books and records are located.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 4.13 Environmental Matters. Except as any such failure could not reasonably be expected to result in a Material Adverse Effect:

(a) No Environmental Claim has been asserted against any Loan Party or any predecessor in interest nor has any Loan Party received written notice of any threatened or pending Environmental Claim against Loan Party or any predecessor in interest.

(b) There has been no Release of Hazardous Materials and there are no Hazardous Materials present in violation of Environmental Law at any of the properties currently owned or operated by any Loan Party.

(c) The operation of the business of, and each of the properties owned or operated by, each Loan Party are in compliance with all Environmental Laws.

(d) Each Loan Party holds, and is in compliance with, those Governmental Authorizations required under any Environmental Laws in connection with the operations carried on by it and the properties owned or operated by it.

Section 4.14 No Defaults. Neither Borrower nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except, in each case, where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

Section 4.15 Material Contracts. All Material Contracts and Other Relevant Contracts are in full force and effect and no defaults currently exist thereunder (other than as described in Schedule 4.15).

(a) Except as described in Schedule 4.15, each Material Contract and Other Relevant Contract is a legal, valid and binding obligation of Borrower, its Subsidiaries and, to the knowledge of Borrower or its Subsidiaries, each other party thereto, is enforceable in accordance with its terms and is in full force and effect, subject bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. Neither Borrower nor its Subsidiaries, nor to the knowledge of Borrower or its Subsidiaries, any other party to any Material Contract or Other Relevant Contract, is or was in material breach or default, under the terms of any Material Contract or Other Relevant Contract, and no condition exists which, with the giving of notice or the lapse of time or both, would constitute a breach or default by Borrower or any of its Subsidiaries thereunder that could result in any material liability to Borrower or such Subsidiary or termination of such Material Contract or Other Relevant Contract. Except as described in Schedule 4.15, neither the Buyer nor any of its Subsidiaries has received any written notice from any party to any Material Contract or Other Relevant Contract asserting or to the knowledge of Borrower, threatening to assert, any material breach or default under the terms of any Material Contract or Other Relevant Contractor circumstances that could reasonably be expected to result in the cancellation, termination or invalidation of any Material Contract or Other Relevant Contract (or in each case any provision thereof) or the acceleration of such Borrower's or Subsidiary's obligations thereunder.

Section 4.16 Governmental Regulation. Neither Borrower nor any of its Subsidiaries is subject to regulation under the Public Utility Holding Company Act of 2005, the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. Neither Borrower nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 4.17 Margin Stock. Neither Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Term Loans made to such Loan Party will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System or any similar regulation in any other jurisdiction.

Section 4.18 Employee Benefit Plans. No ERISA Event has occurred or is reasonably expected to occur that has resulted or could resaonably be expected to result in a Material Adverse Effect.

Section 4.19 Certain Fees. No broker's or finder's fee or commission will be payable with respect hereto or any of the transactions contemplated hereby.

Section 4.20 Solvency. Borrower is individually, and the Loan Parties and their Subsidiaries on a consolidated basis, are and upon the occurrrence of the Credit Extension by the Borrower [*], will be, Solvent.

Section 4.21 ERISA. Assuming for purposes of this representation that the Lender is not, and will not be, using "plan assets" (within the meaning of 29 CFR §2510.3-101 et seq., as modified by Section 3(42) of ERISA (the "Plan Assets Regulation" or any similar applicable law)) of one or more employee benefit plans with respect to the entrance into, participation in, administration of and performance under this Agreement and the other Loan Documents, the Borrower's performance under this Agreement and the other Loan Documents will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code. The underlying assets of Borrower and its Subsidiaries do not constitute "plan assets" within the meaning of the Plan Assets Regulation.

Section 4.22 Compliance with Statutes, Etc. Each of Borrower and its Subsidiaries is in compliance with (i) its Organizational Documents and (ii) all applicable laws, statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property, except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 4.23 Intellectual Property.

(a) To the knowledge of Borrower and its Subsidiaries, each of Borrower and its Subsidiaries own, or hold valid licenses in, all Intellectual Property Rights that are necessary to the conduct of its business as currently conducted and proposed to be conducted, including the discovery, development, manufacture, use and Commercialization of the Products, except, in the case of any Product (Non-Core), where the failure to own or hold such rights would not reasonably be expected to result in a Material Adverse Effect. Except as set forth in Schedule 4.23(a), Borrower and its Subsidiaries have the exclusive right and license to develop, manufacture, use and Commercialize the Products under the Product Intellectual Property Rights, the Registrations, and the Regulatory Documentation, except, in the case of any Product (Non-Core), where the failure to have such exclusive rights and licenses would not reasonably be likely to result in a Material Adverse Effect.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) Schedule 4.23(b) sets forth a true, correct and complete listing under separate headings, of all Contractual Obligations, whether written or oral, (i) under which Borrower or its Subsidiaries is granted a license or right to use any Product Intellectual Property Rights that any other Person owns, or owes any royalties or other payments to any Person for the use of any Product Intellectual Property Rights, (ii) under which Borrower or its Subsidiaries have granted any Person any right or interest in any Product Intellectual Property Rights, and (iii) that otherwise affect Borrower or its Subsidiaries' use of or rights in the Product Intellectual Property Rights (including co-existence agreements and covenants not to sue), except, in the case of Contractual Obligations relating solely to any Product (Non-Core), where such Contractual Obligations are not material to the research, development, use, import or Commercialization of such Product (Non-Core) (collectively, "License Agreements"). Each License Agreement identified on Schedule 4.23(b) is a valid and binding obligation of Borrower and the counterpart(ies) thereto and is enforceable against each counterparty thereto in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law). There are no unpaid fees, royalties, indemnification payments, or other amounts owed under any License Agreements that have become overdue, or that are reasonably expected to become overdue, other than any such unpaid fees, royalties or indemnification payments that are being contested in good faith. Borrower has not received any written notice in connection with any such License Agreement challenging the validity, enforceability or interpretation of any provision of such agreement. Except as set forth in Schedule 4.23(b), neither Borrower nor or any of its Subsidiaries is in material breach of or default under any License Agreement to which it is a party or may otherwise be bound, and to the knowledge of Borrower, no circumstances or grounds exist that would give rise to a claim of material breach or right of rescission, termination, non-renewal, revision, or amendment of any of the License Agreements, including the execution, delivery and performance of this Agreement and the other Loan Documents. Borrower has not (A) given written notice to a counterparty of the termination of any such License Agreement (whether in whole or in part) or any written notice to a counterparty expressing any intention to terminate any such License Agreement or (B) received from a counterparty thereto any written notice of termination of any such License Agreement (whether in whole or in part) or any written notice from a counterparty stating its intention to terminate any such License Agreement. Borrower has not consented to any assignment by the counterparty to any License Agreement of any of its rights or obligations under any such License Agreement, and, to the knowledge of Borrower, the counterparty has not assigned any of its rights or obligations under any such License Agreement to any Person. Borrower has not notified in writing the respective counterparty to any License Agreement or any other Person of any claims for indemnification under any License Agreement nor has Borrower received any written claims for indemnification under any License Agreement. Borrower has not received any written notice from, or given any written notice to, any counterparty to any License Agreement alleging any infringement of any of the Patents licensed thereunder.

(c) As of the date hereof, Schedule 4.23(c) sets forth a true, correct and complete listing, including the owner and registration or application number, of all the Product Intellectual Property Rights that are U.S. (federal or state) and foreign (i) Patents, and identifies the owner of each such patent/application, (ii) registered trademarks and trademark applications, (iii) registered copyrights and copyright applications, (iv) domain names, and (v) any other form of registered Product Intellectual Property Rights. Except as identified in Schedule 4.23(c), (i) the owner listed on Schedule 4.23(c) is the exclusive owner of such registration or application; (ii) to the best of Company's and its Subsidiaries' knowledge, such registrations are valid, subsisting and enforceable; (iii) none of the registrations or applications have lapsed or been abandoned, cancelled or expired, except for registrations or applications abandoned in the ordinary course of business; (iv) Company has taken all reasonable steps to maintain such registrations or applications, including by timely filing fees and responses; and (v) each individual associated with the filing and prosecution of such registrations or applications, including the named inventors in the case of the Product Patents, has complied in all material respects with all applicable duties of candor and good faith in dealing with any patent office, including the USPTO, in those jurisdictions where such duties exist. Company may update this list to add additional registrations or applications, so long as such amendment occurs by written notice to Administrative Agent, subject to Borrower's obligations and restrictions under this Agreement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(d) Neither Borrower nor any of its Subsidiares is a party to any pending, and neither the Company nor any of its Subsidiaries has received written notice of any threat of any, opposition, interference, reexamination, inter partes review, post-grant review, derivation or other post-grant proceeding, injunction, claim, suit, action, subpoena, hearing, inquiry, investigation (by the International Trade Commission or otherwise), complaint, arbitration, mediation, demand, decree or other dispute, disagreement, proceeding or claim (collectively, "Disputes") that challenges the legality, scope, validity, enforceability, infringement, ownership, inventorship or other rights with respect to any of the Product Intellectual Property Rights, except, in the case of any Product (Non-Core), where such Dispute, if resolved adversely to Borrower, its Subsidiaries or their licensees or licensors, would not reasonably be expected to result in a Material Adverse Effect, and to the knowledge of the Borrower and its Subsidiaries, there are no facts that could provide a reasonable basis for such a claim. Borrower and its Subsidiaries have not received any written notice that there is any, and to their knowledge there is no, Person who is or claims to be an inventor under any of the Product Patents who is not a named inventor thereof except, in the case of any Product (Non-Core), where the failure to name the correct inventor would not reasonably be likely to result in a Material Adverse Effect.

(e) Neither the Borrower nor any of its Subsidiaries is party to any past or pending, and neither the Borrower nor its Subsidiaries has received written notice of any threat of any, and to the knowledge of Borrower and its Subsidiaries no event has occurred or circumstance exists that (with or without notice or lapse of time, or both) could reasonably be expected to give rise to or serve as a basis for any, action, suit, or proceeding, or any investigation or claim by any Person that claims or alleges that the discovery, development, manufacture, use or Commercialization of any Product, once marketed, does or could infringe on any Patent or other intellectual property rights of any other Person or constitute misappropriation of any other Person's trade secrets or other intellectual property rights, except, in the case of any Product (Non-Core), where the failure to own, have a license to or otherwise hold such rights would not reasonably be likely to result in a Material Adverse Effect, and to the knowledge of Borrower and its Subsidiaries, there is no facts that could provide a reasonable basis for such a claim.

(f) Except as disclosed in Schedule 4.23(f), neither Borrower nor its Subsidiaries has entered into any Contractual Obligation (i) creating a lien, charge, security interest or other encumbrance on, or relating to or affecting the Product Intellectual Property Rights or any of its royalties on, or proceeds from, sales of the Product, (ii) pursuant to which Borrower or its Subsidiaries has sold, transferred, assigned or pledged to any Person royalties on, or proceeds from, sales of the Product, or (iii) providing for milestone payments or similar development-, commercialization- or intellectual property-related payments to any Person applicable (or that with further development and commercialization may become applicable) to the Product.

(g) There are no back-up products currently designated or in development for any Product (Core) by Borrower or its Subsidiaries.

Section 4.24 Insurance. Each of Borrower and its Subsidiaries keeps its property adequately insured and maintains (a) insurance to such extent and against such risks, as is customary with companies in the same or similar businesses, (b) workmen's compensation insurance in the amount required by applicable law, (c) public liability insurance, which shall include product liability insurance, in the amount customary with companies in the same or similar business against claims for personal injury or death on properties owned, occupied or controlled by it, and (d) such other insurance as may be required by law or as may be reasonably required by Required Lenders (including, without limitation, against larceny, embezzlement or other criminal misappropriation). Schedule 4.24 sets forth a list of all insurance maintained by each Loan Party on the Closing Date.

Section 4.25 [Reserved].

Section 4.26 Permits, Etc. Each Loan Party has, and is in compliance with, all permits, licenses, authorizations, approvals, entitlements and accreditations required for such Person lawfully to own, lease, manage or operate, or to acquire, each business currently owned, leased, managed or operated, or to be acquired, by such Person, which, if not obtained, could not reasonably be expected to have a Material Adverse Effect. To the knowledge of each Loan Party, no condition exists or event has occurred which, in itself or with the giving of notice or lapse of time or both, would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such permit, license, authorization, approval, entitlement or accreditation, and there is no claim that any thereof is not in full force and effect, except, in each case, to the extent any such condition, event or claim could not be reasonably be expected to have a Material Adverse Effect.

Section 4.27 Bank Accounts and Securities Accounts. Schedule 4.27 sets forth a complete and accurate list as of the Closing Date of all deposit, checking and other bank accounts, all securities and other accounts maintained with any broker dealer and all other similar accounts maintained by each Loan Party, together with a description thereof (i.e., the bank or broker dealer at which such deposit or other account is maintained and the account number and the purpose thereof).

Section 4.28 Security Interests. The Collateral Documents create in favor of Administrative Agent, for the benefit of Secured Parties, a legal, valid and enforceable security interest in the Collateral secured thereby. Upon the filing of the UCC-1 financing statements described in Section 3.1(e), the posssession by Administrative Agent of any certificated Capital Stock or instrument owned by such Loan Party, the recording of the Collateral Assignments for Security referred to in each Pledge and Security Agreement in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, the service of notice and provisions of other deliverables in accordance with the Cayman Share Mortgages,the China Equity Pledge, the Hong Kong Collateral Agreement, and the Hong Kong Charge, such security interests in and Liens on the Collateral granted thereby shall be perfected First Priority security interests, and no further recordings or filings are or will be required in connection with the creation, perfection or enforcement of such security interests and Liens, other than (a) the filing of continuation statements in accordance with applicable law, (b) the recording of the Collateral Assignments for Security pursuant to each Pledge and Security Agreement in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, with respect to after-acquired U.S. patent and trademark applications and registrations and U.S. copyrights, (c) the recordation of appropriate evidence of the security interest in the appropriate foreign registry with respect to all foreign Intellectual Property and (d) such other filings as are required under the Cayman Share Mortgages, the China Equity Pledge, the Hong Kong Collateral Agreement and the Hong Kong Share Charge.

Section 4.29 PATRIOT ACT and FCPA. To the extent applicable, each Loan Party is in compliance with (a) the laws, regulations and Executive Orders administered by OFAC, and (b) the Bank Secrecy Act, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) of 2001 (the "PATRIOT Act"). None of the Loan Parties nor any Affiliates of any Loan Parties is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the Anti-Terrorism Laws. None of the Loan Parties, nor any Affiliates of any Loan Parties, or their respective agents acting or benefiting in any capacity in connection with the Loans or other transactions hereunder, is a Blocked Person. None of the Loan Parties, nor any of their agents acting in any capacity in connection with the Loans or other transactions contemplated hereunder (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 interests in property blocked pursuant to any OFAC Sanctions Programs.

Section 4.30 [Reserved].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 4.31 Disclosure. No representation or warranty of any Loan Party contained in any Loan Document or in any other documents, certificates or written statements made or furnished to Lenders by or on behalf of Borrower or any of its Subsidiaries for use in connection with the transactions contemplated hereby, when taken as a whole, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not materially misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Company to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ materially from the projected results. The information provided by the Loan Parties to Lenders in the Perfection Certificate (as supplemented in accordance with Section 5.1(n)) is true and correct in all material respects as of the date such Perfection Certificate was delivered.

Section 4.32 Use of Proceeds. The proceeds of the Term Loans shall be applied by Company to support business growth, working capital and other general corporate purposes of Borrower and its Subsidiaries. No portion of the proceeds of the Term Loan shall be used in any manner that causes or might cause such Credit Extension or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act.

Section 4.33 Regulatory Compliance.

(a) Each of Borrower and its Subsidiaries have all Registrations from the FDA, comparable foreign counterparts or any other Governmental Authority required to conduct their respective businesses as currently conducted, except where the failure to have all such Registrations would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities. Each of such Registrations is valid and subsisting in full force and effect, except where the failure to do so would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities. To the knowledge of Borrower and its Subsidiaries, (i) neither FDA nor any other applicable Governmental Authority is considering limiting, suspending, or revoking such Registrations or changing the scope of the marketing authorization or the labeling of any Products under such Registrations, and (ii) Borrower and its Subsidiaries are in good standing with respect to each Registration and each applicable Governmental Authority and no fact or circumstance has arisen until the Signing Date which may reasonably give rise to any action of this type in the future. To the knowledge of Borrower and its Subsidiaries, there is no false or materially misleading information or material omission in any Product application or other notification, submission or report to the FDA or any other applicable Governmental Authority that was not corrected by subsequent submission, and all such applications, notifications, submissions and reports provided by Borrower and its Subsidiaries were true, complete, and correct in all material respects as of the date of submission to FDA or any other applicable Governmental Authority, except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities. Borrower and its Subsidiaries have not failed to fulfill and perform their obligations which are due under each such Registration, and no event has occurred or condition or state of facts exists which would constitute a breach or default under any such Registration, in each case that would reasonably be expected to cause the revocation, termination or suspension or material limitation of any such Registration, including but not limited to any form of clinical hold order, except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities. To the knowledge of Borrower and its Subsidiaries, any third party that develops, researches, manufactures, commercializes, distributes, sells or markets Products pursuant to an agreement with Borrower or its Subsidiaries (a "Loan Party Partner") is in compliance with all Registrations from the FDA and any comparable Governmental Authority insofar as they pertain to Products, and each such Loan Party Partner is, and since April 1, 2020 has been, in compliance with applicable Public Health Laws, except where the failure to so be in compliance would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities. The Company is not required to give notice to, make any filing with, or obtain any consent from any Governmental Authority at any time prior to the Closing Date in connection with the execution and delivery of this Agreement, or the consummation of the transactions contemplated by the Loan Documents.

(b) Each of Borrower and its Subsidiaries is in compliance, and since April 1, 2020 has been in compliance, with all Public Health Laws, except to the extent that any such non-compliance, individually or in the aggregate, could not reasonably be expected to result in Material Regulatory Liabilities.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) To the extent applicable, all products designed, developed, investigated, manufactured, prepared, assembled, packaged, tested, labeled, distributed, sold, marketed or delivered by or on behalf of Borrower or any of its Subsidiaries, that are subject to the jurisdiction of the FDA or any comparable Governmental Authority have, since April 1, 2020, been and are being designed, developed, investigated, manufactured, prepared, assembled, packaged, tested, labeled, distributed, sold, marketed or delivered in compliance with the Public Health Laws, except for such noncompliance that would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities. To the knowledge of Borrower and its Subsidiaries, there are no defects in the design or technology embodied in any Products that are reasonably expected to prevent the safe and effective performance of any such Product for its intended use (other than such limitations specified in the applicable package insert), except for such defects that would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities or other Liabilities. None of the Products has been the subject of any products liability or warranty action against Borrower or its Subsidiaries or any non-legal claim for clinical trial compensation by trial participants, except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities.

(d) Neither Borrower nor any of its Subsidiaries is currently subject to any material obligation arising pursuant to a Regulatory Action and, to the knowledge of Borrower and its Subsidiaries, no such material obligation or Regulatory Action has been threatened by a Governmental Authority in writing, except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities. In addition, and without limitation on the foregoing, neither Borrower nor any of its Subsidiaries has since July 1, 2020 received any written notice or communication from the FDA, comparable foreign counterparts or any other Governmental Authority alleging material non-compliance with any Public Health Law or comparable foreign laws, except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities.

(e) Except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities, to the knowledge of Borrower and its Subsidiaries, no Loan Party Partner has since July 1, 2020 received any written notice or communication from the FDA or any other Governmental Authority alleging material noncompliance with any Public Health Law, including without limitation any notice of inspectional observation, notice of adverse finding, notice of violation, warning letters, untitled letters or other notices from the FDA or other Governmental Authority relating to such Loan Party Partner's work for Borrower or such Subsidiary. Except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities, there have been no recalls, field notifications, field corrections, market withdrawals or replacements, detentions, "dear doctor" letters, investigator notices, safety alerts or other notice of action relating to an actual or potential lack of safety, efficacy, or regulatory compliance of any Products ("Safety Notices") or clinical hold orders issued by the FDA or comparable foreign counterparts with respect to an ongoing or anticipated clinical trial of any Product, and to the knowledge of Borrower and its Subsidiaries, there are no facts or circumstances that are reasonably likely to result in (x) a Safety Notice, (y) a material change in labeling of any Product, or (z) a termination or suspension of research, testing, manufacturing, distribution, or commercialization of any Product.

Section 4.34 Government Contracts. Except as set forth on Schedule 4.34 as of the Closing Date hereof, neither Borrower nor any of its Subsidiaries is a party to any contract or agreement with any Governmental Authority and none of Borrower's or such Subsidiary's accounts receivables or other rights to receive payment are subject to the Federal Assignment of Claims Act (31 U.S.C. Section 3727) or any similar state, county or municipal law.

Section 4.35 Healthcare Regulatory Laws.

(i) Each of Borrower and its Subsidiaries is operating, and since April 1, 2020 has been operating in material compliance with applicable Public Health Laws and Health Care Program Laws.

(b) None of Borrower and its Subsidiaries, nor, to their knowledge, any officer, director, managing employee or agent (as those terms are defined in 42 C.F.R. § 1001.1001) thereof, is a party to, or bound by, any Regulatory Action, including without limitation, any written order, individual integrity agreement, corporate integrity agreement, deferred or non-prosecution agreement or other written agreement with any Governmental Authority in the Specified Territories concerning their compliance with Public Health Laws and Health Care Program Laws.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) None of Borrower and its Subsidiaries, nor any officer, director, managing employee or agent (as those terms are defined in 42 C.F.R. § 1001.1001) thereof, nor to the knowledge of Borrower and its Subsidiaries, any Loan Party Partner: (i) has been, since April 1, 2020 , charged with or convicted of any criminal offense relating to the delivery of an item or service under any Federal Health Care Program; (ii) has had, since April 1, 2020 , a civil monetary penalty assessed against it, him or her under Section 1128A of the Social Security Act; (iii) has been listed on the U.S. General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs; or (iv) to the knowledge of Borrower and its Subsidiaries, is the target or subject of any current or potential suit, claim, action, proceeding, arbitration, mediation, inquiry, subpoena or investigation relating to any of the foregoing or any Federal Health Care Program-related offense, or which could result in the imposition of material penalties or the debarment, suspension or exclusion from participation in any Federal Health Care Program or equivalent regulations in the Specified Territories. To the knowledge of the Borrower, none of Borrower and its Subsidiaries, nor any officer, director, managing employee or agent (as those terms are defined in 42 C.F.R. § 1001.1001) thereof, nor has any Loan Party Partner, has been debarred, excluded, disqualified or suspended from participation in any Federal Health Care Program or under any FDA Laws (including 21 U.S.C. § 335a) or equivalent regulations in the Specified Territories.

(d) None of the Borrower and its Subsidiaries nor, to the knowledge of the Borrower and its Subsidiaries, any officer, director, managing employee or agent (as those terms are defined in 42 C.F.R. § 1001.1001) thereof, and its Subsidiaries, any Loan Party Partner, has, since April 1, 2020 , violated or engaged in any activity that is in violation of any Public Health Law or Health Care Program Laws, except as would not reasonably be expected to, individually or in the aggregate, result in Material Regulatory Liabilities, or cause for false claims liability, civil penalties or mandatory or permissive exclusion from any Federal Health Care Program.

(e) To the knowledge of Borrower and its Subsidiaries, no person has filed or has threatened to file against Borrower or any of its Subsidiaries, an action relating to any FDA Law, Public Health Law or Health Care Program Law under any whistleblower statute, including without limitation, the False Claims Act of 1863 (31 U.S.C. § 3729 et seq.).

(f) As of the Closing Date, the Borrower and its Subsidiaries do not receive any reimbursement directly from any U.S. third-party payor program, including Federal Healthcare Programs, for any Product.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 4.36 Data Protection. Each of Borrower and its Subsidiaries is operating, and since July 1, 2017 has been operating in material compliance with: (i) applicable Data Protection Laws; (ii) applicable industry standards; (iii) contractual obligations to which Borrower or any Subsidiaries is bound; and (iv) all of Borrower and each of its Subsidiaries' internal privacy policies, in each case relating to privacy, data protection, consumer protection, consent or the collection, retention, protection, and use of Personal Information collected, used or maintained by Borrower or by third parties having access to the records of Borrower and each of its Subsidiaries that contain any Personal Information, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. Each of Borrower and its Subsidiaries has adopted and published privacy notices and policies that accurately describe the privacy practices of Borrower or any Subsidiary (as applicable), to any website, mobile application or other electronic platform and complied with those notices and policies, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect (collectively, with each of Borrower and each of its Subsidiaries' internal privacy policies, the "Privacy Policies"). The execution, delivery and performance of this Agreement complies and will comply with all Data Protection Laws and Borrower's and each Subsidiary's Privacy Policies in each case in all material respects, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. Neither Borrower nor any Subsidiary, nor to the knowledge of Borrower and its Subsidiaries, any third party acting on behalf of Borrower or any Subsidiary, has experienced any incidences in which Personal Information was or may have been stolen or improperly accessed, including any breach of security or other loss, unauthorized access, use or disclosure of Personal Information in the possession, custody or control of Borrower or any of its Subsidiaries or any third party acting on behalf of Borrower or any Subsidiary, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. Neither Borrower nor any Subsidiary, nor, to the knowledge of Borrower and its Subsidiaries, any third party acting on behalf of Borrower or any Subsidiary, has received any: (i) written, or to the knowledge of Borrower or its Subsidiaries, oral inquiry or complaint alleging noncompliance with Data Protection Laws; (ii) written or, to the knowledge of Borrower or its Subsidiaries, oral claim for compensation for loss or unauthorized collection, processing or disclosure of Data or other Personal Information; or (iii) written or, to the knowledge of Borrower or its Subsidiaries, oral notification of an application for rectification, erasure or destruction of Data or other Personal Information that is still outstanding, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations (other than any such contingent obligations or liabilities hereunder that by express terms thereof survive such payment in full of all Obligations), each Loan Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Article V.

Section 5.1 Financial Statements and Other Reports. Unless otherwise provided below, Borrower will deliver to Administrative Agent and Lenders:

(a) [reserved].

(b) Quarterly Financial Statements. Within [*] after the end of each Fiscal Quarter of each Fiscal Year (excluding the fourth Fiscal Quarter), the consolidated balance sheets of Borrower and its Subsidiaries as at the end of such Fiscal Quarter and the related consolidated statements of income, stockholders' equity and cash flows of Borrower and its Subsidiaries for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter (including a description of all royalty, milestone payments and licensing payments, dividends, and distributions, paid or received by Borrower or its Subsidiaries, and [*] in connection with any Product on a Product-by-Product basis during the applicable period), setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year, all in reasonable detail, together with a Financial Officer Certification with respect thereto;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) Annual Financial Statements. Within [*] after the end of each Fiscal Year, (i) the consolidated balance sheets of Borrower and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Borrower and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, in reasonable detail, together with a Financial Officer Certification with respect thereto; and (ii) with respect to such consolidated financial statements a report thereon of PricewaterhouseCoopers or other independent certified public accountants of recognized national standing selected by Borrower or that is otherwise reasonably satisfactory to Administrative Agent (which report shall be unqualified as to going concern and scope of audit, shall not contain any going concern emphasis of matter and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Borrower and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP (other than any such exception, qualification or explanatory paragraph that is with respect to, or resulting from, the upcoming maturity of Indebtedness or any actual or prospective financial or liquidity covenant default under any outstanding Indebtedness);

(d) Compliance Certificate. Together with each delivery of financial statements of Borrower and its Subsidiaries pursuant to Section 5.1(b) or Section 5.1(c), a duly executed and completed Compliance Certificate attaching evidence of the Cash balances contained in each Deposit Account of the Loan Parties;

(e) Royalty Reports; Notice of Disputes. [*] (but in any event within [*]) after receipt by Borrower or any of its Subsidiaries, (i) a copy of any royalty reports or similar reports outlining fees to be paid or payable with respect to any Product (Core) from any third party Licensee or (ii) any notices of any third party disputes with respect to a Product (Core), any Material Contract, or any Product Intellectual Property Rights to the extent the Company is required to file a current report with the SEC on Form 8-K if the Company were required to file such reports or to the extent notice of such disputes are provided under the documentation governing the Astellas Royalty Transaction.

(f) [Reserved].

(g) Notice of Default. [*] (but in any event within [*]) upon any officer of Borrower obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to Borrower with respect thereto; (ii) that any Person has given any notice to Borrower or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 8.1(b); or (iii) of the occurrence of any event or change that has caused or evidences or results in, in any case or in the aggregate, a Material Adverse Effect or Material Regulatory Liabilities, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action Company has taken, is taking and proposes to take with respect thereto;

(h) Notice of Litigation. [*] (but in any event within [*]) upon any officer of Company obtaining knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding or (ii) any material development in any Adverse Proceeding that, in the case of either clause (i) or (ii) which relates to the Products, the Product Intellectual Property or the Material Contracts, which seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby or which would reasonably be expected to result in Material Regulatory Liabilities or a Material Adverse Effect, written notice thereof together with such other information as may be reasonably available to Company to enable Lenders and their counsel to evaluate such matters;

(i) ERISA. [*] (but in any event within [*]) upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event that would reasonably be expected to result in a material Liability to a Loan Party, a written notice specifying the nature thereof, what action a Loan Party or any ERISA Affiliate has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto;

(j) Insurance Report. [*] to the extent requested by the Administrative Agent, a report in form and substance reasonably satisfactory to Administrative Agent outlining all material insurance coverage maintained as of the date of such report by Borrower and its Subsidiaries and all material insurance coverage planned to be maintained by Borrower and its Subsidiaries in the immediately succeeding Fiscal Year;

(k) Regulatory and Product Notices. Each Loan Party shall [*] (but in any event within [*]) after the receipt or occurrence thereof notify Administrative Agent of:

(i) any written notice received by Borrower or its Subsidiaries alleging potential or actual material violations of any Public Health Law or Health Care Program Law by Borrower or its Subsidiaries,

(ii) any written notice that the FDA (or international equivalent) or other Governmental Authority is limiting, suspending or revoking any Registration (including, but not limited to, by the issuance of a clinical hold),

(iii) any written notice that Borrower or its Subsidiaries has become subject to any Regulatory Action (other than any routine inspection or investigation in the ordinary course of business),

(iv) the exclusion or debarment from any Federal Health Care Program or debarment or disqualification by FDA (or international equivalent) of Borrower or its Subsidiaries or its or their Authorized Officers,

(v) any written notice that a Borrower or any Subsidiary, or to the knowledge of the Borrower, any of their licensees or sublicensees (including licensees or sublicensees under the Product Agreements or Material Contracts), is being investigated or is the subject of any allegation of potential or actual violations of any Public Health Law or Health Care Program Laws,

(vi) any written notice that any product of Borrower or its Subsidiaries has been seized, withdrawn, recalled, detained, or subject to a suspension of manufacturing, or the commencement of any proceedings in the United States or any other jurisdiction seeking the withdrawal, recall, suspension, import detention, or seizure of any Product is pending or threatened in writing against Borrower or its Subsidiaries, or

(vii) changing the scope of marketing authorization or the labeling of the products of Borrower and its Subsidiaries under any Registration.

except, in each case of (i) through (iii) and (v) through (vii) above, where such action would not reasonably be expected to have, either individually or in the aggregate, Material Regulatory Liabilities;

(l) Notice Regarding Material Contracts. (i) [*] (but in any event within [*]) (A) after a Loan Party or a Subsidiary of a Loan Party receives any notice (written or oral) of default or event of default under any Material Contract, or (B) after Loan Party or a Subsidiary of a Loan Party receives notice from a counterparty under a Material Contract terminating such Material Contract following a material breach by the Company or any of its Subsidiaries of their respective obligations under such Material Contract, and (ii) [*] (but in any event within [*]) upon entry into a Replacement Contract with respect to a terminated Material Contract, in each case of clauses (i) through (ii), furnish a written statement describing such event, with copies of such notices or new contracts together with all pertinent detail and information relating thereto in such Loan Party or Subsidiary of Loan Party's possession, custody or control and to the extent allowed to be delivered pursuant to its terms, delivered to Administrative Agent, and an explanation of any actions being taken with respect thereto. Borrower shall [*] provide Administrative Agent with written notice upon the Borrower's delivery of notice of termination to a counterparty under any Material Contract following material breach by such counterparty of its obligations under any Material Contract, to the extent such termination would be economically adverse in any material respect, taken as whole, to Borrower.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(m) Information Regarding Collateral. Company will furnish to Administrative Agent prior written notice of any change (a) in any Loan Party's legal name, (b) in any Loan Party's identity or (c) in any Loan Party's U.S. federal or other taxpayer identification number (if any). Company agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise (including, without limitation, any statutory or public registers) and all other applicable actions, in each case, that are required in order for Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral and for the Collateral at all times following such change to have a valid, legal and perfected security interest as contemplated in the Collateral Documents. Company also agrees [*] to notify Administrative Agent if any material portion of the Collateral is damaged or destroyed;

(n) Annual Collateral Verification. [*], at the time of delivery of annual financial statements with respect to the preceding Fiscal Year pursuant to Section 5.1(c), Company shall deliver to Administrative Agent an Officer's Certificate (a) either confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section 5.1(n) and/or identifying such changes, or (b) certifying that all UCC financing statements (including fixtures filings, as applicable) or other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified in the Perfection Certificate or pursuant to clause (a) above to the extent necessary to protect and perfect the security interests under the Collateral Documents for a period of not less than [*] after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period);

(o) Product (Core). [*], but in any event within [*] after the receipt by Borrower or any of its Subsidiaries or occurrence thereof, as applicable, notify Administrative Agent of:

(i) granting of any licenses or sublicenses under any Permitted Product Agreement with respect to Commercialization;

(ii) amending an existing, or entering into any new Permitted Product Agreement with respect to Commercialization;

(iii) any material written communications received from the FDA or other Governmental Authority that would reasonably be expected to result in a Material Adverse Effect;

in each case, to the extent related to a Product (Core).

(p) Notices relating to Intellectual Property.

(i) [*]

(ii) [*]

(q) Regulatory Documentation and Approvals. Company shall be responsible for, and shall maintain, with respect to each Product, all submissions to Governmental Authorities relating to the Products, including clinical studies, tests and biostudies, including all Product non-disclosure agreements, and the drug master files, as well as all correspondence with Governmental Authorities with respect thereto (including Registrations and licenses and regulatory drug lists, and any amendments or supplements thereto). Company shall use [*] to renew each marketing approval (a) pursuant to Section 505 of the Federal Food, Drug, and Cosmetic Act with respect to any Product (Core) described in clause (ii) of the definition thereof, and (b) pursuant to the equivalent applicable law in any Specified Territory with respect to any Product (Core) in clause (i) of the definition thereof. [*] following Administrative Agent's reasonable request from time to time, Company shall [*] provide to Administrative Agent copies of any and all regulatory filings submitted to any such Governmental Authorities with respect to the Products;

(r) Maintenance, Defense and Enforcement of Product Patents. Company shall take all [*] steps to maintain, defend and enforce the Product Patents, including by timely filing fees and responses with the United States Patent and Trademark Office or any applicable foreign counterpart. Company shall provide prompt written notice to Administrative Agent of any material occurrences with respect to any Product Patents, and, upon Administrative Agent's request from time to time, shall [*] provide Administrative Agent with complete and correct copies of (i) any certification received by Company, its Subsidiaries, or any of their respective licensors or licensees pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(I), (II), (III) or (IV) relating to any of the Orange Book Patents, and (ii) any pleadings, briefs, declarations, correspondence and other documents relating to any Dispute involving any of the Orange Book Patents; and

(s) ESG Reporting. Upon reasonable request of Administrative Agent, together with the Annual Financial Statements delivered pursuant to Section 5.1(c), an ESG Certificate.

(t) Other Information. [*]

[*]

Section 5.2 Existence. Except as otherwise permitted under Section 6.9, each Loan Party will, and will cause each of Borrower's Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and Governmental Authorizations, qualifications, franchises, licenses and permits material to its business and to conduct its business in each jurisdiction in which its business is conducted; provided, no Loan Party or any of Borrower's Subsidiaries shall be required to preserve any such existence, right or Governmental Authorizations, qualifications, franchise, licenses and permits if such Person's Board of Directors (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss thereof is not disadvantageous in any material respect to such Person or to Lenders.

Section 5.3 Payment of Taxes and Claims. Each Loan Party will, and will cause each of Borrower's Subsidiaries to, file all Tax returns required to be filed by or with respect to Borrower or any of its Subsidiaries and timely pay all Taxes imposed upon or with respect to it or any of its properties, assets, income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings [*] instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP (or other applicable accounting principles) shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay imposition of any penalty, fine or Lien resulting from the non-payment thereof. No Loan Party will, nor will it permit any of Borrower's Subsidiaries to file or consent to the filing of any consolidated income tax return with any Person (other than Borrower or its Subsidiaries).

Section 5.4 Maintenance of Properties. Each Loan Party will, and will cause each of Borrower's Subsidiaries to (a) maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all properties used or useful in the business of Borrower and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof, except to the extent any such failure to maintain could not reasonably be expected to have a Material Adverse Effect, and (b) comply at all times with the provisions of all material leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder, except to the extent any such failure to comply could not reasonably be expected to have a Material Adverse Effect.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 5.5 Insurance.

(a) The Loan Parties will maintain or cause to be maintained, with financially sound and reputable insurers, (i) business interruption insurance, and (ii) casualty insurance, such public liability insurance, third party property damage insurance or such other insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of the Loan Parties as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. In accordance with the timeline required under Section 5.14, the Loan Parties shall ensure that each such policy of insurance shall (1) name Administrative Agent, on behalf of Lenders as an additional insured thereunder as its interests may appear, and (2) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, satisfactory in form and substance to Administrative Agent, that names Administrative Agent, on behalf of Secured Parties as the loss payee thereunder. If any Loan Party or any of its Subsidiaries fails to maintain such insurance, Administrative Agent may, upon [*] prior written notice to Borrower, arrange for such insurance, but at Company's expense and without any responsibility on Administrative Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Upon the occurrence and during the continuance of an Event of Default, following notice to the Borrower, Administrative Agent shall have the sole right, in the name of the Lenders, any Loan Party and its Subsidiaries, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

(b) Each of the insurance policies required to be maintained under this Section 5.5 shall provide for at least [*] prior written notice to Administrative Agent of the cancellation or substantial modification thereof. Receipt of such notice shall entitle Administrative Agent (but Administrative Agent shall not be obligated), upon [*] prior written notice to Loan Parties, to renew any such policies, cause the coverages and amounts thereof to be maintained at levels required pursuant to this Section 5.5 or otherwise to obtain similar insurance (including with respect to coverage types, limits and premiums) in place of such policies, in each case at the expense of the Loan Parties.

Section 5.6 Books and Records; Inspections. Each Loan Party will, and will cause each of Borrower's Subsidiaries to, (a) maintain at all times at the chief executive office of Borrower copies of all material books and records of Borrower and its Subsidiaries, (b) keep adequate books of record and account in which full, true and correct entries in all material respects are made of all dealings and transactions in relation to its business and activities, and (c) permit any representatives designated by Administrative Agent (including employees of Administrative Agent, any Lender or any consultants, auditors, accountants, lawyers and appraisers retained by Administrative Agent) to visit any of the properties of any Loan Party and any of Borrower's Subsidiaries to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent accountants and auditors, all [*] (so long as no Default or Event of Default has occurred and is continuing) and as often as may reasonably be requested; provided that, absent the occurrence and continuance of an Event of Default, Administrative Agent and Lenders shall not exercise such rights more often than one time during any Fiscal Year. The Loan Parties agree to pay the reasonable and documented out-of-pocket costs and expenses incurred by the examiner in connection therewith.

Section 5.7 Lenders Calls.

(a) Borrower will, upon the reasonable request of Administrative Agent or Required Lenders, participate in a conference call of Administrative Agent and Lenders once during each Fiscal Quarter at such time as may be agreed to by Borrower and the Required Lenders.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 5.8 Compliance with Laws.

(a) Each Loan Party will comply, and shall cause each of Borrower's Subsidiaries and all other Persons, if any, on or occupying any real property, to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws), non-compliance with which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Without limiting the generality of the foregoing, each Loan Party shall, and shall cause each of Borrower's Subsidiaries to, comply with all FDA Laws and Public Health Laws, and with all applicable Health Care Program Laws, except where the failure to comply would not reasonably be expected to result, either individually or in the aggregate, in Material Regulatory Liabilities. All products developed, manufactured, tested, investigated, distributed or marketed by or on behalf of the Loan Parties and Borrower's Subsidiaries that are subject to the jurisdiction of the FDA or any comparable Governmental Authority have been and shall be developed, tested, manufactured, investigated, distributed, sold and marketed in compliance with the FDA Laws and any other Requirement of Law, including, without limitation, good manufacturing practices, labeling, advertising, record-keeping, and adverse event reporting, except where the failure to comply would not reasonably be expected to result, either individually or in the aggregate, in Material Regulatory Liabilities.

Section 5.9 Environmental.

(a) Each Loan Party shall (i) keep its real property free of any Environmental Liens; (ii) maintain and comply in all material respects with all Governmental Authorizations required under applicable Environmental Laws, except as any such failure could not reasonably be expected to result in a Material Adverse Effect; (iii) take all steps to prevent any Release of Hazardous Materials from any property owned or operated by any Loan Party, except as any such failure could not reasonably be expected to result in a Material Adverse Effect; and (iv) ensure that there are no Hazardous Materials on, at or migrating from any property owned or operated by any Loan Party, except as any such failure could not reasonably be expected to result in a Material Adverse Effect.

(b) The Loan Parties shall [*] (but in any event within [*]) (i) notify Administrative Agent in writing (A) of any material Environmental Claims asserted in writing against or material Environmental Liabilities and Costs of any Loan Party, and (B) of any notice of Environmental Lien filed against its real property, and (ii) provide such other documents and information as reasonably requested by Administrative Agent in relation to any matter pursuant to this Section 5.9(b).

Section 5.10 Subsidiaries. In the event that any Person becomes a Domestic Subsidiary of a Loan Party and such Person is not an Excluded Subsidiary, Company shall (a) within [*] of such Person becoming a Subsidiary or ceasing to be an Excluded Subsidiary cause such Subsidiary to become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent a Counterpart Agreement, and (b) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates as are similar to those described in Sections 3.1(b), 3.1(f), and 3.1(i). With respect to each such Subsidiary, Company shall [*] send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of Company or ceased to be an Excluded Subsidiary, and (ii) all of the data required to be set forth in Schedules 4.1 and 4.2 with respect to all Subsidiaries of Company; provided, such written notice shall be deemed to supplement Schedules 4.1 and 4.2 for all purposes hereof. In addition, at the election of Borrower, any Excluded Subsidiary of Borrower may become a Guarantor hereunder.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 5.11 Real Estate Assets. In the event that any Loan Party acquires fee title to Material Real Property during the term of this Loan, Borrower shall send to Administrative Agent a written notice of the occurrence of any such event [*] upon the occurrence of same. Within [*] after the acquisition of any such Material Real Property (or such later time as agreed to by Administrative Agent in its sole discretion), such Loan Party shall deliver to Administrative Agent: (a) a fully executed and notarized Mortgage, in proper form for creating a valid and enforceable lien on the Real Property described therein once recorded in the appropriate real estate records and in proper form for recording in such real estate records; (b) an opinion of counsel in the jurisdiction in which such Real Property is located with respect to the enforceability of such Mortgage and such other matters as Administrative Agent may reasonably request, in each case in form and substance reasonably satisfactory to Administrative Agent; (c)(i) an ALTA extended mortgagee title insurance policy or an unconditional commitment therefor with respect to such Mortgage (each, a "Title Policy") from a title company reasonably satisfactory to Administrative Agent (the "Title Company"), in an amount not less than the fair market value of such Real Estate Asset, together with a title report issued by the Title Company with respect thereto, dated not more than [*] prior to the date such Real Property was acquired and copies of all recorded documents listed as exceptions to title or otherwise referred to therein, which Title Policy shall be effective as of the date of the Mortgage and otherwise be in form and substance reasonably satisfactory to Administrative Agent and (ii) evidence satisfactory to Administrative Agent that such Loan Party has paid to or deposited with the Title Company all expenses and premiums of the Title Company and all other sums required in connection with the issuance of such Title Policy and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgage for such Real Property in the appropriate real estate records; (d) to the extent required by law, evidence of flood insurance with respect to such Real Property in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, and in form and substance reasonably satisfactory to Administrative Agent; and (e) an ALTA/NSPS survey of such Real Property in form sufficient to permit the Title Company to issue the Title Policy in the form required by Administrative Agent and otherwise in form and substance satisfactory to Administrative Agent, which shall be either (1) certified to Administrative Agent and dated not more than [*] prior to the date such Real Property was acquired, or (2) accompanied by a survey or "no change" affidavit executed by the owner of such Real Property and acceptable to the Title Company to issue the Title Policy in the form required by Administrative Agent, as applicable. In addition to the foregoing, Borrower shall, at the request of Required Lenders, deliver to Administrative Agent an appraisal of such Material Real Property to verify the amount of the Mortgage and/or Title Policy, but only if required by applicable law or regulation.

Section 5.12 Further Assurances. At any time or from time to time upon the request of Administrative Agent, each Loan Party will, at its expense, [*] execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent may reasonably request in order to effect fully the purposes of the Loan Documents, including providing Lenders with any information reasonably requested pursuant to Section 10.23. In furtherance and not in limitation of the foregoing, each Loan Party shall take such actions as Administrative Agent may reasonably request from time to time to ensure that the Obligations are guarantied by the Guarantors and are secured by substantially all of the assets of Borrower's Subsidiaries and all of the outstanding Capital Stock of the Subsidiaries of Borrower.

Section 5.13 Control Agreements. Each of Borrower and each Guarantor Subsidiary shall hold all of its cash and Cash Equivalents in a Deposit Account or Securities Account located or maintained in the United States (other than Excluded Accounts) subject to a Control Agreement within [*] after the Closing Date or the opening or acquisition thereof, as applicable. All such Control Agreements governed under the laws of a state or territory of the United States shall provide for "springing" cash dominion with respect to each such account, including each disbursement account.

Section 5.14 Post-Closing Matters. Company shall, and shall cause each of the Loan Parties to, satisfy the requirements set forth on Schedule 5.14 on or before the post-closing date specified for such requirement or such later date to be determined by Administrative Agent in its sole discretion.

ARTICLE VI

NEGATIVE COVENANTS

Each Loan Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations (other than any such contingent obligations or liabilities hereunder that by express terms thereof survive such payment in full of all Obligations), such Loan Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Article VI.

Section 6.1 Indebtedness. No Loan Party shall, nor shall it permit any of Borrower's Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except Permitted Indebtedness.

Section 6.2 Liens. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, except Permitted Liens.

Section 6.3 Material Contracts. Borrower and its Subsidiaries shall not materially breach any Material Contract, or otherwise default in any material respect under any Material Contract (beyond any applicable notice, grace or cure periods under such Material Contract); provided, that no Event of Default shall result from any Loan Party's failure to comply with this Section 6.3, unless (i) such Material Contract has been finally terminated as a consequence of such material breach or default by the Company or any of its Subsidiaries, and (ii) by the date that is the [*] of the final termination of such Material Contract, the Loan Parties shall failed to have entered into a replacement contract with an entity that is qualified, reputable and experienced in the industry (it being understood and agreed that an agreement with a commercial sale organization that is qualified, reputable and experienced in the industry shall be deemed to constitute a replacement contract with respect to the AstraZeneca China Agreement) (each, a "Replacement Contract") with respect to such Material Contract, the economic terms of which are not materially less favorable to the Company than the relevant Material Contract, taken as a whole, as determined by the Company in good faith. Borrower and its Subsidiaries shall not amend or permit the amendment of any provision of any Material Contract the result of which would be economically adverse in any material respect, taken as whole, to Borrower.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 6.4 No Further Negative Pledges. Except with respect to (a) specific property encumbered to secure payment of particular Indebtedness or to be sold pursuant to an executed agreement with respect to an Asset Sale permitted under Section 6.9, (b) restrictions under the Astellas Royalty Transaction Agreement, (c) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), (d) [reserved], (e) restrictions under any agreement or other instrument of a Person acquired by or merged, amalgamated or consolidated with or into Loan Party that was in existence at the time of such acquisition (or at the time it merges with or into any Loan Party in connection with the acquisition of assets from such Person (but, in each case, not created in contemplation thereof)), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired or designation, (f) restrictions on cash or other deposits or net worth imposed by customers under commercial contracts entered into in the ordinary course of business, (g) encumbrances or restrictions in connection with any Permitted Product Transaction (solely with respect to the grant of the license or sublicense thereunder) or Permitted Royalty Transaction (solely with respect to a Backup Security Interest granted thereunder) that, in the good faith determination of the Borrower, are reasonably necessary or advisable in connection with such Permitted Product Transaction or Permitted Royalty Transaction, (h) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to the applicable joint venture, (i) any encumbrance or restriction contained in secured Indebtedness otherwise permitted to be incurred hereunder to the extent limiting the right of the debtor to dispose of the assets securing such Indebtedness or contained in any agreements with respect to any Permitted Chinese Indebtedness and (j) any encumbrances or restrictions of the type referred to in the immediately preceding clauses (a) through (i) above (excluding clause (b)) imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to such immediately preceding clauses (a) through (i) above (excluding clause (b)); *provided* that such encumbrances and restrictions contained in any such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing are, in the good faith judgment of the Borrower, not materially more restrictive, taken as a whole, than the encumbrances and restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing, no Loan Party nor any of Borrower's Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired securing the Obligations.

Section 6.5 Restricted Junior Payments. No Loan Party shall, nor shall it permit any of its Subsidiaries through any manner or means or through any other Person to, directly or indirectly, declare, order, pay or make any sum for any Restricted Junior Payment, in each case, except:

(a) the payment of dividends to Company's equityholders in the form of Common Stock;

(b) (i) the issuance of Capital Stock of Company upon the exercise of any warrants, options or rights to acquire such Capital Stock, including upon conversion of any Indebtedness that is convertible into or exchangeable for Capital Stock of Company, and (y) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible or exchangeable into Capital Stock of Company;

(c) the payment of dividends or other Restricted Junior Payments by a Subsidiary of Borrower to Borrower or such Subsidiary's direct parent company;

(d) the repurchase, retirement or other acquisition or retirement for value of Company's Capital Stock held by any future, present or former employee, director, manager, officer or consultant (or any Affiliates, spouses, former spouses, other immediate family members, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of Company or any of its Subsidiaries pursuant to any employee, management, director or manager equity plan, employee, management, director or manager stock option plan or any other employee, management, director or manager benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director, manager, officer or consultant of Borrower or any Subsidiary; provided that the aggregate amounts of all such payments made pursuant to this clause (d), shall not, [*], so long as (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to such Restricted Junior Payment as of the date of such payment;

(e) (i) any payments pursuant to the Astellas Royalty Monetization Transaction permitted by the Senior Lender Intercreditor Agreement and (ii) unless an Event of Default has occurred or is continuing, any payments required to be made pursuant to Permitted Royalty Transactions (other than the Astellas Royalty Monetiztion Transaction); provided that such payments shall be made not earlier than [*] prior to the date such payments are due or in the case of any acceleration payment, true up payment or payment on account of a breach or default to the extent permitted not earlier than the date such payments are due; provided further that with respect to clause (ii) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to such Restricted Junior Payment as of the date of such payment;

(f) (i) the purchase by Borrower of Common Stock (including pursuant to Permitted Equity Derivatives) contemporaneously and otherwise in connection with the incurrence of Permitted Convertible Indebtedness; provided that the aggregate consideration for such Common Stock shall not [*] received by Borrower from the incurrence of such Permitted Convertible Indebtedness, and (ii) any non-cash settlement or unwind of a Permitted Equity Derivative;

(g) other payments (other than in the form of dividends or distributions by the Borrower) [*], so long as (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) Borrower and its Subsidiaries shall be in compliance with the covenant set forth in Section 6.8 on a pro forma basis after giving effect to such Restricted Junior Payment as of the date of such payment;

(h) any payment on contractually subordinated Indebtedness in accordance with the subordination agreement governing such Indebtedness;

(i) Restricted Junior Payments to the extent constituting a Permitted Prepayments of Certain Indebtedness by Section 6.17;

(j) the repurchase or other acquisition of Qualified Capital Stock of the Borrower deemed to occur in connection with any tax withholding required upon the grant of or any exercise or vesting of any Qualified Capital Stock of the Borrower (or options in respect thereof); and

(k) any Tax Distributions, to the extent constituting a Restricted Junior Payment permitted by Section 6.17.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 6.6 Restrictions on Subsidiary Distributions. Except as provided herein, no Loan Party shall, nor shall it permit any of Borrower's Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of Company to (a) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by Company or any other Subsidiary of Company, (b) repay or prepay any Indebtedness owed by such Subsidiary to Company or any other Subsidiary of Company, (c) make loans or advances to Company or any other Subsidiary of Company, or (d) transfer any of its property or assets to Company or any other Subsidiary of Company other than restrictions (i) in agreements evidencing purchase money Indebtedness permitted by clause (h) of the definition of Permitted Indebtedness that impose restrictions on the property so acquired or by clause (v) of the definition of Permitted Indebtedness (ii) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and similar agreements entered into in the ordinary course of business, and (iii) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Capital Stock not otherwise prohibited under this Agreement. No Loan Party shall, nor shall it permit its Subsidiaries to, enter into any Contractual Obligations which would prohibit a Subsidiary of Borrower from being a Loan Party (other than Subsidiaries that are Excluded Subsidiaries, other than by virtue of clause (c) or (f) of the definition thereof).

Section 6.7 Investments. Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including without limitation any Joint Venture, except Permitted Investments. Notwithstanding the foregoing, in no event shall any Loan Party make any Investment which results in the making of any Restricted Junior Payment not otherwise permitted under the terms of Section 6.5.

Section 6.8 Minimum Qualified Cash. The Loan Parties shall not permit the aggregate amount of Qualified Cash in Deposit Accounts or Securities Accounts located in the United States as of each Interest Payment Date (after giving pro forma effect to the interest payment due and payable on such date) to be [*].

Section 6.9 Fundamental Changes; Disposition of Assets. No Loan Party shall, nor shall it permit any of its Subsidiaries to,

(a) enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), including by means of a "plan of division" under the Delaware Limited Liability Company Act or any comparable transaction under any similar law, except:

(i) (x) any Subsidiary of Borrower that is a Loan Party may be merged with or into Company or any Guarantor Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to Company or any Guarantor Subsidiary; and (y) any Subsidiary of Borrower that is not a Loan Party may be merged with or into Borrower or any other Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to Company or any other Subsidiary; provided, that in each case of clauses (x) and (y), in the case of such merger involving Borrower, Borrower shall be the continuing or surviving Person and in the case of such merger not involving Borrower but involving a Guarantor Subsidiary, the Guarantor Subsidiary shall be the continuing or surviving person; or

(ii) in connection with Permitted Acquisitions and other Permitted Investments; or

(b) consummate any Asset Sale, except:

(i) Permitted Product Transactions;

(ii) any Permitted Royalty Transaction;

(iii) [reserved];

(iv) the disposition, unwinding or other termination of any Hedging Agreement or any Permitted Equity Derivative or the entry into any Permitted Equity Derivatives;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(v) Borrower or any Subsidiary may sell inventory and immaterial assets in the ordinary course of business;

(vi) dispositions of obsolete or worn out, retired or surplus property, whether now owned or hereafter acquired, in the ordinary course of business;

(vii) surrender or waiver of contractual rights and settlement or waiver of contractual or litigation claims in the ordinary course of business;

(viii) dispositions to Borrower or any Guarantor Subsidiary;

(ix) dispositions by any Subsidiary that is not a Loan Party pursuant to arms' length transactions on market terms or for fair market value (as determined by the Borrower in good faith);

(x) dispositions consisting of Permitted Liens and permitted Restricted Junior Payments;

(xi) dispositions of accounts receivable in connection with the collection or compromise thereof and the sale or disposition of Cash Equivalents for cash or other Cash Equivalents;

(xii) dispositions of assets (other than any direct or indirect disposition of Material Contracts, Product (Core), Product (Core) Intellectual Property Rights, Registration with respect to any Product (Core), accounts receivables or inventory in respect of any Product (Core) or any other assets necessary or material to the research, development, use or Commercialization of any Product (Core)) so long as at least [*] paid substantially concurrently with consummation of the transaction and shall be in an amount not less than the fair market value of the property disposed of; *provided* that for the purposes of this clause (xii), the following shall be deemed to be cash (x) any securities received by the Loan Parties or any Subsidiary from such transferee that are converted by such Person into cash or Cash Equivalents upon the closing of the applicable disposition, (y) any purchase price adjustment, milestone payment, royalty, earnout, contingent payment, back-end or other deferred payment of a similar nature, and (z) any designated non-cash consideration received in respect of such disposition having an aggregate fair market value, taken together with all other designated non-cash consideration received pursuant to this clause (z) that is at that time outstanding, [*], determined at the time of such disposition;

(xiii) dispositions of Capital Stock in any Joint Venture to the other holders of Capital Stock in such Joint Venture for fair market value; and

(xiv) other dispositions [*].

Notwithstanding anything to the contrary contained herein, (a) no assignment, transfer, contribution, license, sublicense or other disposition of any Product (Core), Product (Core) Intellectual Property Rights or Registration with respect to any Product (Core) is permitted hereunder, except (i) any Permitted Product Transactions relating to Pamrevlumab and any Permitted Product Transaction with respect to Roxadustat in effect on the Closing Date or any Replacement Contract with respect thereto and (ii) any Permitted Royalty Transaction and (b) no assignment or other disposition of Capital Stock of any Subsidiary that owns any Product (Core), Product (Core) Intellectual Property Rights or Registration with respect to any Product (Core) shall be permitted hereunder.

Section 6.10 Disposal of Subsidiary Interests. Except for any sale of its interests in the Capital Stock of any of its Subsidiaries in compliance with the provisions of Section 6.9, no Loan Party shall, nor shall it permit any of Borrower's Subsidiaries to, in each case solely with respect to the interests of or in Loan Party, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to qualify directors if required by applicable law; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to another Loan Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by applicable law.

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Section 6.11 Sales and Lease Backs. No Loan Party shall, nor shall it permit any of Borrower's Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which such Loan Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than Borrower or any of its Subsidiaries) or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by such Loan Party to any Person (other than Borrower or any of its Subsidiaries) in connection with such lease.

Section 6.12 Transactions with Shareholders and Affiliates. No Loan Party shall, nor shall it permit any of Borrower's Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service), or series of related transactions, with any Affiliate of Borrower or of any such holder with [*]; provided, that the Loan Parties and Borrower's Subsidiaries may enter into or permit to exist any such transaction if Administrative Agent has consented thereto in writing prior to the consummation thereof, provided, further, that the foregoing restrictions shall not apply to any of the following:

(a) any transaction among the Borrower and its Subsidiaries not prohibited hereunder;

(b) reasonable and customary fees paid to current or former members of the Board of Directors (or similar governing body) of Borrower and its Subsidiaries;

(c) compensation arrangements for current and former officers and other employees of Borrower and its Subsidiaries entered into in the ordinary course of business;

(d) transactions (or series of related transactions) that have [*] during the term of this Agreement and that are, in the case of each such transaction (or series of related transactions), on terms that are not less favorable to the Borrower or a Subsidiary in any material respect than would be obtainable by the Borrower or such Subsidiary at such time in a comparable arm's-length transaction with a Person other than an Affiliate (as determined in good faith by the senior management or the board of directors of the Borrower); and

(e) transactions described in Schedule 6.12 (including without limitation, any intercompany licenses or other arrangements existing on the Closing Date).

Section 6.13 Conduct of Business. From and after the Closing Date, no Loan Party shall, nor shall it permit any of its Subsidiaries to, engage in any material line of business other than the businesses engaged in by such Loan Party or its Subsidiaries on the Closing Date or any business reasonably related, complementary, incidental, ancillary thereto or any reasonable extensions thereto.

Section 6.14 Changes to Certain Agreements and Organizational Documents. No Loan Party shall amend or permit any amendments to any Loan Party's Organizational Documents in a manner that is materially adverse to the Lenders in their capacities as such, including, without limitation, any amendment, modification or change to any of Loan Party's Organizational Documents to effect a division or plan of division pursuant to Section 18-217 of the Delaware Limited Liability Company Act (or any similar statute or provision under applicable law).

Section 6.15 Accounting Methods. The Loan Parties will not and will not permit any of their Subsidiaries to modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP).

Section 6.16 Deposit Accounts and Securities Accounts. No Loan Party shall establish or maintain a Deposit Account or a Securities Account that is not subject to a Control Agreement except for Excluded Accounts or as otherwise permitted under Section 5.13; provided, however, notwithstanding any provision in any Loan Document to the contrary, no Loan Party or any of its Subsidiaries shall be required to deliver a Control Agreement with respect to any Deposit Account or Securities Account located or maintained at an institution outside the United States.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 6.17 Prepayments of Certain Indebtedness. No Loan Party shall, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness for borrowed money with [*] prior to its scheduled due date (it being understood that unless an Event of Default has occurred or is continuing, a prepayment [*] prior to the scheduled date of payment (other than an acceleration payment, true up payment or payment on account of a breach or default) shall be permitted under this Section 6.17), other than (a) the Obligations, (b) Permitted Chinese Indebtedness, (c) Indebtedness secured by a Permitted Lien if the asset securing such Indebtedness has been sold or otherwise disposed of in accordance with Section 6.9, (d) converting (or exchanging) any Indebtedness to (or for) Qualified Capital Stock of Borrower, (e) issuance of Capital Stock (and cash in lieu of fractional shares in connection with such issuance) of the Borrower in connection with any conversion, exercise, repurchase, exchange, redemption, settlement or early termination or cancellation of Permitted Convertible Indebtedness, (f) the issuance of Permitted Convertible Indebtedness that constitutes Permitted Refinancing Indebtedness in exchange for other Permitted Convertible Indebtedness, (g) the redemption, purchase, exchange, early termination or cancellation of Permitted Convertible Indebtedness in an aggregate principal amount not to exceed the Net Proceeds received by the Borrower from the substantially concurrent issuance of additional Permitted Convertible Indebtedness or Capital Stock in connection with a refinancing of the Permitted Convertible Indebtedness being redeemed, purchased, exchanged, terminated or cancelled; provided that additional Permitted Convertible Indebtedness constitutes Permitted Refinancing Indebtedness, and (h) as permitted under the Senior Lender Intercreditor Agreement or the applicable subordination agreement governing any subordinated Indebtedness.

Section 6.18 Anti-Terrorism Laws. None of the Loan Parties, nor any of their Affiliates or agents acting in any capacity in connection with the Loans or other transactions hereunder shall, in violation of Sactions:

(a) conduct any business or engage in any transaction or dealing with any Blocked Person, including making or receiving 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 the OFAC Sanctions Programs 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 the OFAC Sanctions Programs, the USA PATRIOT Act or any other Anti-Terrorism Law.

Borrower shall deliver to the Lenders any certification or other evidence requested from time to time by any Lender in its sole discretion, confirming Borrower's compliance with this Section 6.18.

Section 6.19 Anti-Corruption Laws. No Loan Party shall use, or permit any of its Subsidiaries to use, directly or indirectly, any of the proceeds of any Loan for the purpose of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Law.

Section 6.20 Use of Proceeds. The Loan Parties will not and will not permit any of their Subsidiaries to use the proceeds of any Loan to directly, or to any Loan Party's knowledge after due care and inquiry, indirectly, to make any payments to a Sanctioned Entity or a Sanctioned Person, to fund any investments, loans or contributions in, or otherwise make such proceeds available to, a Sanctioned Entity or a Sanctioned Person, to fund any operations, activities or business of a Sanctioned Entity or a Sanctioned Person or in any other manner that in each case would result in a violation of Sanctions by any Person and no part of the proceeds of any Loan will be used directly or, to any Loan Party's knowledge after due care and inquiry, indirectly in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Sanctions, Anti-Corruption Laws or Anti-Terrorism Laws.

Section 6.21 Products (Core) and Patent Rights.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(a) During the term of this Agreement, Borrower and its Subsidiaries shall not, without the prior written consent of the Required Lenders, which consent may be granted or withheld in the Required Lenders' sole discretion, other than any Permitted Product Transaction or any Permitted Royalty Transaction, sell, assign, out-license, partner or otherwise dispose of economic rights or intellectual property related to any Product (Core) in the United States to any Person, or enter into any agreement to do any of the foregoing to the extent the consummation thereof would not result in the repayment in full of the Loans and all other Obligations (other than inchoate indemnity obligations for which no claim has been made) and the termination of the Term Loan Commitments.

(b) Neither the Borrower nor any Subsidiary shall pursue claims in any continuation, divisional, or continuation-in-part application that claims priority to the Platform Intellectual Property that would cause such application to become a Combination Patent.

ARTICLE 7

GUARANTY

Section 7.1 Guaranty of the Obligations. Subject to the provisions of Section 7.2, Guarantors jointly and severally hereby irrevocably and unconditionally guaranty for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "Guaranteed Obligations").

Section 7.2 Contribution by Guarantors. All Guarantors desire to allocate among themselves, in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Guarantor shall be entitled to a contribution from each of the other Guarantors in an amount sufficient to cause each Guarantor's Aggregate Payments to equal its Fair Share as of such date. "Fair Share" means, with respect to any Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Guarantor, to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Guarantors multiplied by, (b) the aggregate amount paid or distributed on or before such date by all Guarantors under this Guaranty in respect of the obligations Guaranteed. "Fair Share Contribution Amount" means, with respect to any Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Guarantor under this Guaranty that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "Fair Share Contribution Amount" with respect to any Guarantor for purposes of this Section 7.2, any assets or liabilities of such Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Guarantor. "Aggregate Payments" means, with respect to any Guarantor as of any date of determination, an amount equal to (A) the aggregate amount of all payments and distributions made on or before such date by such Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 7.2), minus (B) the aggregate amount of all payments received on or before such date by such Guarantor from the other Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Guarantor. The allocation among Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 7.3 Payment by Guarantors. Subject to Section 7.2, Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for Company's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Company for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

Section 7.4 Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between Company and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of Company and the obligations of any other guarantor (including any other Guarantor) of the obligations of Company, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against Company or any of such other guarantors and whether or not Company is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

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(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or non-judicial sales, whether or not every aspect of any such sale is [*], and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against Company or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents; and

(f) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full in cash of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Loan Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Loan Documents or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Loan Document or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Loan Documents or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Borrower or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses, set offs or counterclaims which Company may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 7.5 Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against Company, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from Company, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of Company or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Company or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Company or any other Guarantor from any cause other than payment in full in cash of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to gross negligence or willful misconduct; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to Company and notices of any of the matters referred to in Section 7.4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.6 Guarantors' Rights of Subrogation, Contribution, Etc. Until the Guaranteed Obligations shall have been indefeasibly paid in cash in full and the Delayed Draw Term Loan Tranche A Commitments have been terminated, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against Company or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against Company with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against Company, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been indefeasibly paid in full and the Delayed Draw Term Loan Tranche A Commitments have been terminated, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations, including, without limitation, any such right of contribution as contemplated by Section 7.2. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against Company or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against Company, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 7.7 Subordination of Other Obligations. Any Indebtedness of Company or any Guarantor now or hereafter held by any Guarantor is hereby subordinated in right of payment to the Guaranteed Obligations, and any such indebtedness collected or received by such Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of the Beneficiaries and, upon demand by the Administrative Agent, shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of such Guarantor under any other provision hereof.

Section 7.8 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been indefeasibly paid in full and the Delayed Draw Term Loan Tranche A Commitments have been terminated. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.9 Authority of Guarantors or Company. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or Company or the officers, directors or agents acting or purporting to act on behalf of any of them.

Section 7.10 Financial Condition of Company. Any Credit Extension may be made to Company or continued from time to time without notice to or authorization from any Guarantor regardless of the financial or other condition of Company at the time of any such grant or continuation is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of Company. Each Guarantor has adequate means to obtain information from Company on a continuing basis concerning the financial condition of Company and its ability to perform its obligations under the Loan Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of Company and of all circumstances bearing upon the risk of non-payment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of Company now known or hereafter known by any Beneficiary.

Section 7.11 Bankruptcy, Etc.

(a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Required Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against Company or any other Guarantor. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, administration, reorganization (including by way of voluntary arrangement, scheme of arrangement or otherwise), provisional supervision, liquidation or arrangement of Company or any other Guarantor or by any defense which Company or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Company of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, administrator, debtor in possession, assignee for the benefit of creditors or similar person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by Company, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

Section 7.12 Discharge of Guaranty Upon Sale of Guarantor. If all of the Capital Stock of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) or if such Guarantor ceases to be a Subsidiary of the Company, in each case, in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such Asset Sale.

ARTICLE 8

EVENTS OF DEFAULT

Section 8.1 Events of Default. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by Company to pay (i) the principal of and premium, if any, on any Term Loan when due whether at stated maturity, by acceleration or otherwise; or (ii) within [*] when due any interest on any Term Loan or any fee or any other amount due hereunder; or

(b) Default in Other Agreements. (i) Failure of any Loan Party or any Loan Party's Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 8.1(a)) in an individual [*] or more or with an [*] or more, in each case beyond the grace period, if any, provided therefor, (ii) breach or default by any Loan Party with respect to any other material term of (A) one or more items of Indebtedness in the individual or aggregate principal amounts referred to in clause (i) above, or (B) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redeemable) or to require the prepayment, redemption, repurchase or defeasance of, or to cause Borrower or any of Borrower's Subsidiaries to make any offer to prepay, redeem, repurchase or defease such Indebtedness, prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or (iii) as a consequence of a breach or default by any Loan Party of any material term of any Permitted Royalty Financing (beyond the grace period, if any, therefor), any Loan Party becomes subject to an event of default fee (or similar payment) in [*] not otherwise constituting a scheduled or a catch-up payment under the terms of such Permitted Royalty Financing; or

(c) Breach of Certain Covenants. Failure of any Loan Party to perform or comply with any term or condition contained in Section 2.2, Section 5.1(a)-(h), Section 5.2, Section 5.13, Section 5.14, or Article VI; or

(d) Breach of Representations, Etc. Any representation, warranty, certification or other statement made or deemed made by any Loan Party in any Loan Document or in any statement or certificate at any time given by any Loan Party or any of Borrower's Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) as of the date made or deemed made; or

(e) Other Defaults Under Loan Documents. Any Loan Party shall default in the performance of or compliance with any term contained herein or any of the other Loan Documents, other than any such term referred to in any other Section of this Section 8.1, and such default shall not have been remedied or waived within [*] after the earlier of (i) an officer of such Loan Party becoming aware of such default, or (ii) receipt by Company of notice from Administrative Agent or any Lender of such default; or

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(f) Involuntary Bankruptcy; Appointment of Receiver, Etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Borrower or any of its Subsidiaries in an involuntary case under any Debtor Relief Law or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law or law of any other jurisdiction; or (ii) an involuntary case shall be commenced against Borrower or any of its Subsidiaries under any Debtor Relief Law or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, administrator, provisional supervision, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Borrower or any of its Subsidiaries, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, administrator, provisional supervision, trustee or other custodian of Borrowers or any of its Subsidiaries for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Borrower or any of its Subsidiaries, and any such event described in the foregoing clauses (i) or (ii) shall continue for [*] without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, Etc. (i) Borrower or any of its Subsidiaries shall have an order for relief entered with respect to it or shall commence a voluntary case under any Debtor Relief Law or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, administrator, provisional supervisor, trustee or other custodian for all or a substantial part of its property; or Borrower or any of its Subsidiaries shall make any assignment for the benefit of creditors; (ii) Borrower or any of its Subsidiaries shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the Board of Directors (or similar governing body) of Borrower or any of its Subsidiaries shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 8.1(f); or (iii) in the case of a Subsidiary organized in Hong Kong, the value of the assets of such Subsidiary is less than its liabilities (taking into account contingent and prospective liabilities); or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving (i) in any individual case an [*] or (ii) in the aggregate at any time an [*] (in either case to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Borrower or any of its Subsidiaries or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of [*] (or in any event later than [*] prior to the date of any proposed sale thereunder); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Loan Party or any of its Subsidiaries decreeing the dissolution or split up of such Loan Party or any of its Subsidiaries and such order shall remain undischarged or unstayed for a period in excess of [*]; or

(j) Change of Control. A Change of Control shall occur; or

(k) Guaranties, Collateral Documents and other Loan Documents. At any time after the execution and delivery thereof, (i) the Guaranty for any reason, other than the satisfaction in full in cash of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder, (ii) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full in cash of the Obligations other than any such contingent obligations or liabilities hereunder that by express terms thereof survive such payment in full of all Obligations in accordance with the terms hereof) or shall be declared null and void, or Administrative Agent shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of Administrative Agent or any Secured Party to take any action within its control, or (iii) any Loan Party shall contest the validity or enforceability of any Loan Document in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Loan Document to which it is a party; or

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(l) Proceedings. The indictment of any Loan Party or any of its Subsidiaries under any criminal statute, or commencement of criminal or civil proceedings against any Loan Party or any of its Subsidiaries pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture to any Governmental Authority of any material portion of the property of such Person; or

(m) ERISA. The occurrence of any ERISA Event which, individually or in the aggregate, has resulted or would reasonably be expected to result in a Material Adverse Effect;

(n) Regulatory Event. (i) any existing marketing approval of Roxadustat is suspended pursuant to the equivalent in any Specified Territory of Section 505(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355(e)) on a finding that there is an imminent hazard to the public health or the equivalent standard in any Specified Territory, or (ii) Borrower or any of its Affiliates receives a notification from (a) in the case of Pamrevlumab, FDA under Section 505(e) and 21 C.F.R. § 314.150, or (b) in the case of Roxadustat, the equivalent Governmental Authority in any Specified Territory , that the FDA or such Governmental Authority, as applicable intends to withdraw marketing approval of Pamrevlumab or Roxadustat, as applicable, in the applicable jurisdiction or such notification is published in the Federal Register or an equivalent event occurs in any Specified Territory (each, a "Regulatory Withdrawal Notice") and that, notwithstanding the Company's opportunity to request a hearing or otherwise oppose FDA's or such Governmental Authority's actions, such Regulatory Withdrawal Notice is reasonably likely to result in the FDA's or such Governmental Authority withdrawal of marketing approval for Pamrevlumab or Roxadustat, as applicable (as determined by an independent third party regulatory expert selected by the Required Lenders and reasonably acceptable to Borrower pursuant to the procedure set forth below); or

(o) Failure to Draw. The Borrower failing to request a draw of [*] of the Delayed Draw Term Loans Tranche A on or prior to the date that is [*] after the Delayed Draw Funding Milestone is achieved.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Without limiting the generality of the foregoing in this Section 8.1, it is understood and agreed that if the Loans are accelerated as a result of an Event of Default (including an acceleration upon the occurrence of an Event of Default pursuant to Section 8.1(f) or (g)), the Loans that become due and payable shall include the Applicable Premium determined as of such date, which shall become immediately due and payable by the Loan Parties and shall constitute part of the Obligations as if the Loans were being voluntarily prepaid or repaid as of such date, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits and actual damages as a result thereof. The Applicable Premium shall also be automatically and immediately due and payable if the Loans are satisfied or released by foreclosure (whether by power of judicial proceeding or otherwise), deed in lieu of foreclosure or by any other means, or if any acceleration of the Obligations is "decelerated" by the Borrower, or the Borrower otherwise reinstates the Obligations, including, without limitation, under a plan of reorganization or similar manner in any bankruptcy, insolvency or similar proceeding. The Applicable Premium payable pursuant to this Agreement shall be presumed to be the liquidated damages sustained by each Lender as the result of the early repayment or prepayment of the Loans (and not unmatured interest or a penalty) and each of Borrower and the other Loan Parties agrees that it is reasonable under the circumstances currently existing. EACH OF THE BORROWER AND THE OTHER LOAN PARTIES EXPRESSLY WAIVE (TO THE FULLEST EXTENT THEY MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE APPLICABLE PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION. Each of the Borrower and the other Loan Parties expressly agree (to the fullest extent they may lawfully do so) that: (A) each of the Applicable Premium is reasonable and the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Premium shall each be payable notwithstanding the then prevailing market rates at the time payment or redemption is made; (C) there has been a course of conduct between Lenders, the Borrower and the other Loan Parties giving specific consideration in this transaction for such agreement to pay the Applicable Premium; (D) any such Loan Party shall not challenge or question, or support any other Person in challenging or questioning, the validity or enforceability of the Applicable Premium or any similar or comparable prepayment fee, and such Loan Party shall be estopped from raising or relying on any judicial decision or ruling questioning the validity or enforceability of any prepayment fee similar or comparable to the Applicable Premium, and (E) the Borrower and the other Loan Parties shall be estopped hereafter from claiming differently than as agreed to in this paragraph. Each of the Borrower and the other Loan Parties expressly acknowledge that its agreement to pay or guarantee the payment of the Applicable Premium to the Lenders as herein described are individually and collectively a material inducement to Lenders to make available (or be deemed to make available) the Loans and Commitments hereunder.

Section 8.2 Remedies. Upon the occurrence and during the continuance of any Event of Default, Administrative Agent may, and shall at the request of the Required Lenders:

(a) declare that all or any portion of the Delayed Draw Term Loan Tranche A Commitments shall immediately terminate and the unpaid principal amount of all outstanding Term Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable; without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each Loan Party; and/or

(b) exercise on behalf of themselves and the Lenders all rights and remedies available to them and the Lenders under the Loan Documents or applicable law or in equity or under any other instrument, document or agreement now existing or hereafter arising;

provided, that upon the occurrence of any event specified in Section 8.1(f) or (g) above, the unpaid principal amount of all outstanding Term Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of Administrative Agent or any Lender.

Section 8.3 Rights Not Exclusive. The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

ARTICLE 9

ADMINISTRATIVE AGENT

Section 9.1 Appointment of Administrative Agent.

(a) Wilmington Trust is hereby appointed Administrative Agent hereunder and under the other Loan Documents and each Lender hereby authorizes Wilmington Trust in such capacity, to act as its agent in accordance with the terms hereof and the other Loan Documents to perform, exercise and enforce any and all other rights and remedies of the Lenders with respect to the Loan Parties, the Obligations or otherwise related to any of same to the extent reasonably incidental to the exercise by Administrative Agent of the rights and remedies specifically authorized to be exercised by Administrative Agent by the terms of this Agreement or any other Loan Parties.

(b) Administrative Agent hereby agrees to act upon the express conditions contained herein and the other Loan Documents, as applicable. The provisions of this Article IX (other than Section 9.8(a)(ii)) are solely for the benefit of Administrative Agent and Lenders and no Loan Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, Administrative Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Borrower or any of its Subsidiaries.

(c) The provisions of this Article IX are solely for the benefit of the Administrative Agent, the Lenders and the other Secured Parties, and the Borrower shall not have any rights as a third-party beneficiary of any of such provisions, except as otherwise set forth herein. It is understood and agreed that the use of the term “agent” herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. The Administrative Agent is hereby directed to execute and deliver each of the Loan Documents to which it is intended to be a party.

Section 9.2 Powers and Duties. Each Lender irrevocably authorizes Administrative Agent to take such action on such Lender’s behalf and to exercise such powers, rights and remedies hereunder and under the other Loan Documents as are specifically delegated or granted to Administrative Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Administrative Agent shall have only those duties and responsibilities that are expressly specified herein and the other Loan Documents. These duties shall be deemed purely ministerial in nature, and the Administrative Agent shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Agreement or any other Loan Document against the Administrative Agent. Administrative Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. Administrative Agent shall not have, by reason hereof or any of the other Loan Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon Administrative Agent any obligations in respect hereof or any of the other Loan Documents except as expressly set forth herein or therein.

Section 9.3 General Immunity.

(a) No Responsibility for Certain Matters. Administrative Agent shall not be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Loan Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by Administrative Agent to Lenders or by or on behalf of any Loan Party to Administrative Agent or any Lender in connection with the Loan Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Loan Party or any other Person liable for the payment of any Obligations, nor shall Administrative Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Term Loans or the component amounts thereof.

(b) Exculpatory Provisions. Neither Administrative Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by Administrative Agent under or in connection with any of the Loan Documents except to the extent caused by Administrative Agent's gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order. Administrative Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until Administrative Agent shall have received written instructions in respect thereof from Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) and, upon receipt of such instructions from Required Lenders (or such other Lenders, as the case may be), Administrative Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. The Administrative Agent shall be entitled to request and receive written instructions from the Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Administrative Agent in accordance with such written instructions, except to the extent caused by Administrative Agent's gross negligence or willful misconduct, as determined by a competent jurisdiction in a final, non-appealable order. The Administrative Agent shall be entitled to request and receive written instructions from the Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Administrative Agent in accordance with such written instructions. Without prejudice to the generality of the foregoing, (i) Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument, certificate, opinion, report, notice, request, direction, consent, order or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Borrower and its Subsidiaries or the Lenders), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent acting or (where so instructed) refraining from acting hereunder or any of the other Loan Documents in accordance with the instructions of Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5). Administrative Agent shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, unless it shall have been grossly negligent in ascertaining the pertinent facts. The permissive authorizations, entitlements, powers and rights (including the right to request that Borrower take an action or deliver a document and the exercise of remedies following an Event of Default) granted to Administrative Agent herein shall not be construed as duties of Administrative Agent. Administrative Agent shall not be required to use, risk or advance its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder or under any other Loan Document. Administrative Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any Lender, pursuant to the provisions of this Agreement, unless such Lender shall have offered to Administrative Agent security or indemnity (satisfactory to Administrative Agent in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction. In no event shall Administrative Agent be liable, directly or indirectly, for any special, indirect, punitive, incidental or consequential damages, even if Administrative Agent has been advised of the possibility of such damages and regardless of the form of action. Notwithstanding anything to the contrary contained in this Agreement, (i) Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to an Eligible Assignee and (ii) Borrower and the Lenders acknowledge and agree that Administrative Agent shall have no responsibility or obligation to determine whether any Lender or potential Lender is an Eligible Assignee and that Administrative Agent shall have no liability with respect to any assignment or participation made to any Person which is not an Eligible Assignee. Neither Administrative Agent nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Borrower or Guarantors, or any of their directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such parties. Administrative Agent may assume performance by all such Persons of their respective obligations. Administrative Agent shall have no enforcement or notification obligations relating to breaches or representations or warranties of any other Person. Administrative Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement or any other Loan Document arising out of or caused, directly or indirectly,

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

by circumstances beyond its control, including any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; pandemics; quarantines; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; malware or ransomware attacks; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility. Administrative Agent shall have no obligation to file or record any financing statements, notices, instruments, documents, agreements, consents or other papers as shall be necessary to (i) create, preserve, perfect or validate any security interest granted to Administrative Agent pursuant to any Loan Document or (ii) enable Administrative Agent to exercise and enforce its rights under any Loan Document. In addition, Administrative Agent shall have no responsibility or liability (i) in connection with the acts or omissions of any Person in respect of the foregoing or (ii) for or with respect to the legality, validity and enforceability of any security interest created in the Collateral or the perfection and priority of such security interest. Whenever reference is made in this Agreement or any other Loan Document to any discretionary action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by Administrative Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by Administrative Agent (except for Administrative Agent's ability to waive the fee set forth in Section 10.6(d) or in connection with Administrative Agent's ability to enter into any amendment to the Administrative Agent Fee Letter or any other Loan Document to which it is a party when such amendment affects the rights and obligations of Administrative Agent, each of which shall be made in Administrative Agent's sole discretion), it is understood that in all cases that Administrative Agent shall not have any duty to act, and shall be fully justified in failing or refusing to take any such action, if it has not received written instruction, advice or concurrence from the Required Lenders in respect of such action. If at any time Administrative Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process (including orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of any Collateral), Administrative Agent is authorized to comply therewith in any manner as it or its legal counsel of its own choosing deems appropriate, and if Administrative Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, Administrative Agent shall not be liable to any of the parties hereto or to any other Person even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(c) Notice of Default. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to Events of Default in the payment of principal, interest and fees required to be paid to Administrative Agent for the account of the Lenders, unless Administrative Agent shall have received written notice from a Lender or the Loan Party referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." Administrative Agent will notify the Lenders of its receipt of any such notice. Administrative Agent shall take such action with respect to any such Default or Event of Default as may be directed by the Required Lenders in accordance with Article VIII; provided, however, that unless and until Administrative Agent has received any such direction, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

Section 9.4 Administrative Agent Entitled to Act as Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender (to the extent it is also a Lender) as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its capacity as Lender, if applicable. Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Borrower or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Company for services in connection herewith and otherwise without having to account for the same to Lenders.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 9.5 Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Borrower and its Subsidiaries in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Borrower and its Subsidiaries. Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Term Loans or at any time or times thereafter, and Administrative Agent shall not have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by Administrative Agent, Required Lenders or Lenders, as applicable on the Closing Date.

(c) Each Lender (i) represents and warrants that as of the Closing Date neither such Lender nor its Affiliates or Related Funds owns or controls, or owns or controls any Person owning or controlling, any trade debt or Indebtedness of any Loan Party other than the Obligations or any Capital Stock of any Loan Party and (ii) covenants and agrees that from and after the Closing Date neither such Lender nor its Affiliates and Related Funds shall purchase any trade debt or Indebtedness of any Loan Party other than the Obligations or Capital Stock described in clause (i) above.

Section 9.6 Right to Indemnity. EACH LENDER, IN PROPORTION TO ITS PRO RATA SHARE, SEVERALLY AGREES TO INDEMNIFY ADMINISTRATIVE AGENT, ITS AFFILIATES AND ITS RESPECTIVE OFFICERS, PARTNERS, DIRECTORS, TRUSTEES, EMPLOYEES AND AGENTS OF ADMINISTRATIVE AGENT (EACH, AN "INDEMNITEE AGENT PARTY"), TO THE EXTENT THAT SUCH INDEMNITEE AGENT PARTY SHALL NOT HAVE BEEN REIMBURSED BY ANY LOAN PARTY, FOR AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES (INCLUDING COUNSEL FEES AND DISBURSEMENTS) OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY OR ASSERTED AGAINST SUCH INDEMNITEE AGENT PARTY IN EXERCISING ITS POWERS, RIGHTS AND REMEDIES OR PERFORMING ITS DUTIES HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS OR OTHERWISE IN ITS CAPACITY AS SUCH INDEMNITEE AGENT PARTY IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS (INCLUDING IN CONNECTION WITH THE ENFORCEMENT OF THIS SECTION 9.6), **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE AGENT PARTY**; PROVIDED, NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS RESULTING FROM SUCH INDEMNITEE AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AS DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL, NON-APPEALABLE ORDER. IF ANY INDEMNITY FURNISHED TO ANY INDEMNITEE AGENT PARTY FOR ANY PURPOSE SHALL, IN THE OPINION OF SUCH INDEMNITEE AGENT PARTY, BE INSUFFICIENT OR BECOME IMPAIRED, SUCH INDEMNITEE AGENT PARTY MAY CALL FOR ADDITIONAL INDEMNITY AND CEASE, OR NOT COMMENCE, TO DO THE ACTS INDEMNIFIED AGAINST EVEN IF SO DIRECTED BY THE REQUIRED LENDERS UNTIL SUCH ADDITIONAL INDEMNITY IS FURNISHED; PROVIDED, IN NO EVENT SHALL THIS SENTENCE REQUIRE ANY LENDER TO INDEMNIFY ANY INDEMNITEE AGENT PARTY AGAINST ANY LIABILITY, OBLIGATION, LOSS, DAMAGE, PENALTY, ACTION, JUDGMENT, SUIT, COST, EXPENSE OR DISBURSEMENT IN EXCESS OF SUCH LENDER'S PRO RATA SHARE THEREOF.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 9.7 Successor Administrative Agent.

(a) Administrative Agent may resign at any time by giving [*] (or such shorter period as shall be agreed by the Required Lenders) prior written notice thereof to Lenders and Company. Upon any such notice of resignation, Required Lenders shall have the right, upon [*] notice to Company, to appoint a successor Administrative Agent. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within [*] after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders appoint a successor Administrative Agent from among the Lenders. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent that successor Administrative Agent shall thereupon succeed to and become vested with all the rights (other than any rights of reimbursement for any reasonable and documented costs, and any reasonable and documented out-of-pocket expenses, indemnities, or other amounts due and owing to the retiring Administrative Agent prior to the resignation thereof), powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall [*], at the expense of the Borrower (i) transfer to such successor Administrative Agent all sums, securities or Capital Stock and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Loan Documents, and (ii) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the security interests created under the Collateral Documents, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder. If no Person has accepted any such appointment within [*] after receipt of the Administrative Agent's resignation notice, then such resignation shall nonetheless become effective in accordance with such notice from the Administrative Agent and, (i) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Document and (ii) all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender directly, until such time as Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph.

(b) Notwithstanding anything herein to the contrary, Administrative Agent may assign its rights and duties as Administrative Agent, as applicable, hereunder to an Affiliate of Wilmington Trust without the prior written consent of, or prior written notice to, Company or the Lenders; provided that Company and the Lenders may deem and treat such assigning Administrative Agent as Administrative Agent for all purposes hereof, unless and until such assigning Administrative Agent provides written notice to Company and the Lenders of such assignment. Upon such assignment such Affiliate shall succeed to and become vested with all rights (other than any rights of reimbursement for any costs, expenses, indemnities, or other amounts due and owing to the assigning Administrative Agent prior to the assignment thereof), powers, privileges, immunities, indemnities and duties as Administrative Agent hereunder and under the other Loan Documents.

(c) Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent and shall not be responsible for the acts, omissions, negligence or misconduct of any such sub-agent appointed with due care. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of Section 9.3, Section 9.6 and of this Section 9.7 shall apply to any of the Affiliates of Administrative Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. All of the rights, benefits and privileges (including the exculpatory and indemnification provisions) of Section 9.3, Section 9.6 and of this Section 9.7 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory and rights to indemnification) and shall have all of the rights, benefits and privileges of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Loan Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent and not to any Loan Party, Lender or any other Person and no Loan Party, Lender or any other Person shall have the rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent.

(d) Any Person into which the Administrative Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Administrative Agent shall be a party, or any Person succeeding to all or substantially all of the corporate trust business of the Administrative Agent shall be the successor of the Administrative Agent under this Agreement and any other Loan Document to which the Administrative Agent is a party without the execution or filing of any additional paper with any party hereto or any further act on the part of any of the parties hereto, except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

Section 9.8 Collateral Documents and Guaranty.

(a) Administrative Agent under Collateral Documents and Guaranty. Each Lender hereby further authorizes Administrative Agent on behalf of and for the benefit of Lenders, to be the agent for and representative of Lenders with respect to the Guaranty, the Collateral and the Collateral Documents. Subject to Section 10.5, without further written consent or authorization from Lenders, Administrative Agent (i) may execute any documents or instruments necessary to (A) release any Lien encumbering any item of Collateral that is the subject of an Asset Sale permitted hereby or to which Required Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented, or (B) release any Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which Required Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented and (ii) shall (A) enter into the Senior Lender Intercreditor Agreement, (B) if requested by Borrower, enter into customary non-disturbance agreements, in form and substance reasonably satisfactory to the Administrative Agent, in connection with the entry by Borrower or any Subsidiary into any Permitted Product Agreement and (C) in connection with any Permitted Product Agreement in respect of a Product (Non-Core) solely to the extent required by the applicable licensee to consummate such Permitted Product Agreement on terms that are reasonably acceptable to Borrower, release its security interest in the Intellectual Property Rights directly relating to such Product(s), excluding any Product (Core) Intellectual Property Right, but including, if necessary, any applicable Platform Intellectual Property necessary or material to the research, development, use or Commercialization of any Product (Non-Core)) subject to such Permitted Product Agreement; provided, that prior to or concurrently with making any request pursuant to this Section 9.8(a)(ii)(C), Borrower shall have used [*] to negotiate the Permitted Product Agreement without a Lien release (and shall provide Administrative Agent reasonable documentation of the same); provided, further that the Administrative Agent, on behalf of and for the benefit of Lenders, will have a First Priority security interest in all cash proceeds received or to be received by Borrower or any Subsidiary from such Permitted Product Agreement and Borrower shall use [*] to grant to Administrative Agent, on behalf of and for the benefit of Lenders, a First Priority security in such Permitted Product Agreement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Loan Documents to the contrary notwithstanding, Company, Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by Administrative Agent, on behalf of Lenders in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by Administrative Agent, and (ii) in the event of a foreclosure by Administrative Agent on any of the Collateral pursuant to a public or private sale or any sale of the Collateral in a case under the Bankruptcy Code, Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and Administrative Agent, as agent for and representative of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by Administrative Agent at such sale.

Section 9.9 Agency for Perfection. Administrative Agent and each Lender hereby appoints each other Lender as agent and bailee for the purpose of perfection the security interests in and liens upon the Collateral in assets which, in accordance with Article 9 of the UCC, can be perfected only by possession or control (or where the security interest of a secured party with possession or control has priority over the security interest of another secured party) and Administrative Agent and each Lender hereby acknowledges that it holds possession of or otherwise controls any such Collateral for the benefit of the Lenders as secured party. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Administrative Agent thereof, and, [*] upon Administrative Agent's request therefore shall deliver such Collateral to Administrative Agent or in accordance with Administrative Agent's instructions. In addition, Administrative Agent shall also have the power and authority hereunder to appoint such other sub-agents as may be necessary or required under applicable state law or otherwise to perform its duties and enforce its rights with respect to the Collateral and under the Loan Documents. Each Loan Party by its execution and delivery of this Agreement hereby consents to the foregoing.

Section 9.10 Reports and Other Information; Confidentiality; Disclaimers. By becoming a party to this Agreement, each Lender:

(a) is deemed to have requested that Administrative Agent furnish such Lender or Administrative Agent, [*] after it becomes available, a copy of each field audit or examination report with respect to Borrower or its Subsidiaries (each a "Report" and collectively, "Reports") prepared by or at the request of Administrative Agent, and Administrative Agent shall so furnish each Lender with such Reports,

(b) expressly agrees and acknowledges that Administrative Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Administrative Agent or other party performing any audit or examination will inspect only specific information regarding Borrower and its Subsidiaries and will rely significantly upon Borrower's and its Subsidiaries' books and records, as well as on representations of such Person's personnel,

(d) agrees to keep all Reports and other material, non-public information regarding Borrower and its Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 10.19, and

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Administrative Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Company, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Company, and (ii) to pay and protect, and indemnify, defend and hold Administrative Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys' fees and costs) incurred by Administrative Agent and any such other Lender or agent preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender or Administrative Agent.

In addition to the foregoing: (x) any Lender may from time to time request of Administrative Agent in writing that Administrative Agent provide to such Lender a copy of any report or document provided by Borrower or its Subsidiaries to Administrative Agent that has not been contemporaneously provided by Borrower or such Subsidiary to such Lender, and, upon receipt of such request, Administrative Agent [*] shall provide a copy of same to such Lender, (y) to the extent that Administrative Agent is entitled, under any provision of the Loan Documents, to request additional reports or information from Borrower or its Subsidiaries, any Lender may, from time to time, reasonably request Administrative Agent to exercise such right as specified in such Lender's notice to Administrative Agent, whereupon Administrative Agent [*] shall request of Company the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from Company or such Subsidiary, Administrative Agent [*] shall provide a copy of same to such Lender, and (z) any time that Administrative Agent renders to Company a statement regarding the Loan Account, Administrative Agent shall send a copy of such statement to each Lender.

Section 9.11 [Reserved].

Section 9.12 Erroneous Payments.

If the Administrative Agent notifies a Lender or Secured Party, or any Person who has received funds on behalf of a Lender or Secured Party (any such Lender, Secured Party or other recipient, a "***Payment Recipient***") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "***Erroneous Payment***") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) [*], but in no event later than [*] thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Without limiting immediately preceding clause (a), each Lender or Secured Party hereby further agrees that if it (or a Payment Recipient on its behalf) receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) [*] (and, in all events, within [*] of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.12(b).

Each Lender and Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with the immediately preceding clause (a), from any Lender or Secured Party that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all of the rights and interests of the applicable Lender or Secured Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights"). Notwithstanding anything to the contrary contained herein, and for the avoidance of doubt, in no event shall the occurrence of an Erroneous Payment (or any Erroneous Payment Subrogation Rights or other rights of the Administrative Agent in respect of an Erroneous Payment) result in the Administrative Agent becoming, or being deemed to be, a Lender hereunder or the holder of any Loans hereunder.

The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

Each party's obligations, agreements and waivers under this Section 9.12 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or other Secured Party, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

ARTICLE 10

MISCELLANEOUS

Section 10.1 Notices.

(a) Notices Generally. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to a Loan Party, Administrative Agent, shall be sent to such Person's address as set forth on Appendix B or in the other relevant Loan Document, and in the case of any Lender, the address as indicated on Appendix B or otherwise indicated to Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, telexed or sent by facsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or [*] after depositing it in the United States mail with postage prepaid and properly addressed; provided, no notice to Administrative Agent shall be effective until received by Administrative Agent.

(b) Electronic Communications.

(i) Administrative Agent and Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites (including the Platform)) pursuant to procedures approved by Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified Administrative Agent that it is incapable of receiving notices under such Article by electronic communication.

(ii) Unless Administrative Agent otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (A), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (A) and (B) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the [*] for the recipient.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(iii) The Borrower hereby acknowledges that (a) the Administrative Agent will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debtdomain or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive information that is material with respect to the Borrower or any of its securities for purposes of United States federal and state securities laws (all such information described in the foregoing, "MNPI"). The Borrower hereby agrees that (w) at the Administrative Agent's request, it will use [*] to cause all Borrower Materials to be identified as either (A) "PUBLIC" (which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof) or (B) "PRIVATE"; (x) by marking the Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any MNPI (although it may be sensitive and proprietary); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information," and (z) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information" (it being understood that the Borrower and its Subsidiaries shall not otherwise be under any obligation to mark any particular Borrower Materials "PUBLIC"). Notwithstanding anything herein to the contrary, financial statements, compliance certificates and other financial documentation of the Borrower delivered pursuant to this Agreement shall be deemed to be suitable for posting on a portion of the Platform designated for "Public Side Information." Unless expressly marked "PUBLIC" and subject to the prior sentence, the Administrative Agent agrees not to make any such Borrower Materials available to Public Lenders.

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE ADMINISTRATIVE AGENT, TOGETHER WITH ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, REPRESENTATIVES, ADVISORS AND AGENTS (COLLECTIVELY, THE "ADMINISTRATIVE AGENT-RELATED PERSONS") DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON- INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY ADMINISTRATIVE AGENT-RELATED PERSON IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall any Administrative Agent-Related Person have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Administrative Agent-Related Person; provided, however, that in no event shall any Administrative Agent-Related Person have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

Section 10.2 Expenses. [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 10.3 Indemnity.

(a) IN ADDITION TO THE PAYMENT OF EXPENSES PURSUANT TO SECTION 10.2, EACH LOAN PARTY AGREES TO DEFEND, INDEMNIFY, PAY AND HOLD HARMLESS, ADMINISTRATIVE AGENT AND LENDER, THEIR AFFILIATES AND THEIR RESPECTIVE OFFICERS, PARTNERS, DIRECTORS, TRUSTEES, EMPLOYEES AND AGENTS OF ADMINISTRATIVE AGENT AND EACH LENDER (EACH, AN "INDEMNITEE"), FROM AND AGAINST ANY AND ALL INDEMNIFIED LIABILITIES, [*****]; PROVIDED, NO LOAN PARTY SHALL HAVE ANY OBLIGATION TO ANY INDEMNITEE HEREUNDER WITH RESPECT TO ANY INDEMNIFIED LIABILITIES TO THE EXTENT SUCH INDEMNIFIED LIABILITIES ARISE FROM THE MATERIAL BREACH (WITH RESPECT TO ANY INDEMNITEE OTHER THAN THE ADMINISTRATIVE AGENT AND ITS AFFILIATES, RESPECTIVE OFFICERS, PARTNERS, DIRECTORS, TRUSTEES, EMPLOYEES AND AGENTS), [*] NEGLIGENCE OR WILLFUL MISCONDUCT, AS DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL, NON-APPEALABLE ORDER, OF THAT INDEMNITEE. [*].

(b) To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against Lenders, Administrative Agent and their respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and Company hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor. Notwithstanding any provision in this Section 10.3 to the contrary, no Loan Party shall have any liability under this Section 10.3 for any special, indirect, consequential or punitive damages (as opposed to direct or actual damages), except that, nothing in this sentence shall limit the Loan Party's obligation to indemnify and hold harmless the Indemnitee for any third party claims for which the Indemnitees are entitled to be held harmless and indemnified pursuant to this Section 10.3.

Section 10.4 Set-Off. [*]

Section 10.5 Amendments and Waivers.

(a) Required Lenders' Consent. [*]

(b) Affected Lenders' Consent. [*]

(c) Other Consents. [*]

(d) Execution of Amendments, Etc. Administrative Agent may, but shall have no obligation to, with the consent of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.5 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Loan Party, on such Loan Party.

Section 10.6 Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. No Loan Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any Loan Party without the prior written consent of all Lenders. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, Indemnitee Agent Parties under Section 9.6, Indemnitees under Section 10.3, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of Administrative Agent and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Maintenance of the Register. Company, Administrative Agent and Lenders shall, in accordance with the Register provisions of Section 2.3(b), deem and treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments and Loans listed therein for all purposes hereof, and no assignment or transfer of any such Term Loan Commitment or Loan shall be effective, in each case, unless and until an Assignment Agreement effecting the assignment or transfer thereof shall have been delivered to and accepted by Administrative Agent and recorded in the Register as provided in Section 10.6(e). Prior to such recordation, all amounts owed with respect to the applicable Term Loan Commitment or Loan shall be owed to the Lender listed in the Register as the owner thereof.

(c) Right to Assign. Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Term Loan Commitment or Loans owing to it or other Obligations (provided, however, that each such assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any Loan and any related Commitments):

(i) to any Person meeting the criteria of clause (a) of the definition of the term of "Eligible Assignee" upon the giving of notice to Company and Administrative Agent; and

(ii) to any Person otherwise constituting an Eligible Assignee with the consent of Company (so long as no Event of Default under Section 8.1 (a), (f) or (g) has occurred and is continuing) (provided, that if Company shall not have responded in writing within [*] after receipt of written notice of the proposed assignment, Company shall be deemed to have approved such assignment) and Administrative Agent; provided, each such assignment pursuant to this Section 10.6(c)(ii) shall be [*] (or such lesser amount as may be agreed to by Company and Administrative Agent).

(d) Mechanics. The assigning Lender and the assignee thereof shall execute and deliver to Administrative Agent an Assignment Agreement, together with (i) a processing and recordation fee payable by the assigning Lender to the Administrative Agent, for its own account, [*] (such fee may be waived by the Administrative Agent in its sole discretion), (ii) an administrative questionnaire with respect to the assignee Lender and (iii) such forms or certificates with respect to tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to Administrative Agent pursuant to Section 2.15(d).

(e) Notice of Assignment. Upon its receipt and acceptance of a duly executed and completed Assignment Agreement, the processing and recordation fee set forth in Section 10.6(d), the administrative questionnaire with respect to the assignee Lender and any forms or certificates required by this Agreement in connection therewith, Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to Company and shall maintain a copy of such Assignment Agreement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(f) Representations and Warranties of Assignee. Each Lender, upon execution and delivery hereof or upon executing and delivering an Assignment Agreement, as the case may be, represents and warrants as of the Closing Date or as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Term Loan Commitments or Loans, as the case may be; (iii) it will make or invest in, as the case may be, its Term Loan Commitments or Loans for its own account in the ordinary course of its business and without a view to distribution of such Term Loan Commitments or Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws; and (iv) such Lender does not own or control, or own or control any Person owning or controlling, any trade debt or Indebtedness of any Loan Party other than the Obligations or any Capital Stock of any Loan Party.

(g) Effect of Assignment. Subject to the terms and conditions of this Section 10.6, [*]: (A) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (B) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 10.8) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, anything contained in any of the Loan Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (C) the Commitments shall be modified to reflect the Commitment of such assignee and any Commitment of such assigning Lender, if any; and (D) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as [*] thereafter as practicable, surrender its applicable Notes to the Company for cancellation, and thereupon Company shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new Commitments and/or outstanding Loans of the assignee and/or the assigning Lender.

(h) Participations.

(i) [*].

(ii) [*]

(i) Certain Other Assignments. In addition to any other assignment permitted pursuant to this Section 10.6, any Lender or Administrative Agent may assign, pledge and/or grant a security interest in, all or any portion of its Loans, the other Obligations owed by or to such Lender, and its Notes, if any, to secure obligations of such Lender or Administrative Agent or any of its Affiliates to any Person providing any loan, letter of credit or other extension of credit or financial arrangement to or for the account of such Lender or Administrative Agent or any of its Affiliates and any agent, trustee or representative of such Person (without the consent of, or notice to, or any other action by, any other party hereto), including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve Bank; provided, no Lender or Administrative Agent, as between Company and such Lender or Administrative Agent, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge; provided further, in no event shall such Person, agent, trustee or representative of such Person or the applicable Federal Reserve Bank be considered to be a "Lender" or "Agent" or be entitled to require the assigning Lender or Administrative Agent to take or omit to take any action hereunder.

Section 10.7 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 10.8 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Loan Party set forth in Sections, 2.14, 2.15, 10.2, 10.3, 10.4, and 10.10 and the agreements of Lenders set forth in Section 2.13, 9.3(b) and 9.6 shall survive the payment of the Term Loans and the termination hereof.

Section 10.9 No Waiver; Remedies Cumulative. No failure or delay on the part of Administrative Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to Administrative Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 10.10 Marshalling; Payments Set Aside. Neither Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Loan Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Loan Party makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent, on behalf of Lenders), or Administrative Agent or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 10.11 [Reserved].

Section 10.12 Obligations Several; Independent Nature of Lenders' Rights. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and, subject to Section 9.8, each Lender shall be entitled to protect and enforce its rights arising under this Agreement and the other Loan Documents and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

Section 10.13 Severability. In case any provision in or obligation hereunder or any Note or other Loan Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 10.14 Original Issue Discount. For purposes of Sections 1272, 1273 and 1275 of the Internal Revenue Code, each Term Loan is being issued with original issue discount; please contact [*] to obtain information regarding the issue price, the amount of original issue discount and the yield to maturity.

Section 10.15 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

Section 10.16 APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE [*] APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 10.17 CONSENT TO JURISDICTION.

(a) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY LOAN PARTY ARISING OUT OF OR RELATING HERETO OR ANY OTHER LOAN DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN [*]. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH LOAN PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (I) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NON-EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (II) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (III) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE LOAN PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1 OR TO ANY PROCESS AGENT SELECTED FOR SUCH LOAN PARTY IN ACCORDANCE WITH SECTION 10.17(b) IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE LOAN PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (IV) AGREES THAT ADMINSTRATIVE AGENT AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY LOAN PARTY IN THE COURTS OF ANY OTHER JURISDICTION.

(b) EACH LOAN PARTY HEREBY AGREES THAT PROCESS MAY BE SERVED ON IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES PERTAINING TO IT AS SPECIFIED IN SECTION 10.1. EACH LOAN PARTY HEREBY APPOINTS FIBROGEN, INC. AS ITS AGENT TO RECEIVE SUCH SERVICE OF PROCESS. ANY AND ALL SERVICE OF PROCESS AND ANY OTHER NOTICE IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE EFFECTIVE AGAINST ANY LOAN PARTY IF GIVEN BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY OTHER MEANS OR MAIL WHICH REQUIRES A SIGNED RECEIPT, POSTAGE PREPAID, MAILED AS PROVIDED ABOVE.

Section 10.18 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.18 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 10.19 Confidentiality. Administrative Agent and Lenders shall hold all non-public information regarding Company and its Subsidiaries and their businesses identified as such by Company and obtained by such Lender from Company or its Subsidiaries pursuant to the requirements hereof and any materials any information received by the Administrative Agent or Lenders in connection with the diligence, negotiation and structuring of the Agreement, including information received prior to the Closing Date, in accordance with such Lender's customary procedures for handling confidential information of such nature, it being understood and agreed by Company that, in any event, Administrative Agent or Lender may make (i) disclosures of such information to Affiliates of Administrative Agent or Lender and to their agents, advisors, directors, officers, and shareholders (and to other persons authorized by a Lender or Administrative Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 10.19), (ii) disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation by any such Lender of any Loans or any participations therein, (iii) disclosure to any rating agency when required by it, (iv) disclosure to any Lender's financing sources, provided that prior to any disclosure, such financing source is informed of the confidential nature of the information, (v) disclosures of such information to any actual or potential investors, members, and partners of Administrative Agent any Lender or their Affiliates, provided that prior to any disclosure, such investor or partner is informed of the confidential nature of the information, and (vi) disclosure required or requested in connection with any public filings, whether pursuant to any securities laws or regulations or rules promulgated therefor (including the Investment Company Act of 1940 or otherwise) or representative thereof or by the National Association of Insurance Commissioners (and any successor thereto) or pursuant to legal or judicial process; provided, unless specifically prohibited by applicable law or court order, Administrative Agent and Lender shall make reasonable efforts to notify Company of any request by any Governmental Authority or representative thereof (other than any such request in connection with any examination of the financial condition or other routine examination of such Lender by such Governmental Authority) for disclosure of any such non-public information prior to disclosure of such information. Notwithstanding anything to the contrary set forth herein, each party (and each of their respective employees, representatives or other agents) may disclose to any and all persons, without limitations of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions and other tax analyses) that are provided to any such party relating to such tax treatment and tax structure. However, any information relating to the tax treatment or tax structure shall remain subject to the confidentiality provisions hereof (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable the parties hereto, their respective Affiliates, and their and their respective Affiliates' directors and employees to comply with applicable securities laws. For this purpose, "tax structure" means any facts relevant to the federal income tax treatment of the transactions contemplated by this Agreement but does not include information relating to the identity of any of the parties hereto or any of their respective Affiliates. Notwithstanding the foregoing, on or after the Closing Date, Administrative Agent and any Lender may, at its own expense, issue news releases and publish "tombstone" advertisements and other announcements relating to this transaction in newspapers, trade journals and other appropriate media (which may include use of logos of one or more of the Loan Parties) (collectively, "Trade Announcements"). No Loan Party shall issue any Trade Announcement without the prior approval of Administrative Agent and such Lender; provided that, nothing in this Section shall limit the Company's ability to make public filings pursuant to any securities laws or regulations promulgated thereunder.

Section 10.20 Usury Savings Clause. [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 10.21 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby (including without limitation Assignment Agreement, amendments, Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.22 Effectiveness. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by Company and Administrative Agent of written notification of such execution and authorization of delivery thereof.

Section 10.23 PATRIOT Act Notice. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of the Loan Parties and other information that will allow such Lender or Administrative Agent, as applicable, to identify the Loan Parties in accordance with the PATRIOT Act or other Anti-Terrorism Laws of the Loan Parties and other information that will allow such Lender or Administrative Agent, as applicable, to identify the Loan Parties in connection with the PATRIOT Act.

Section 10.24 Waiver of Immunity. To the extent that any Loan Party has or hereafter may acquire (or may be attributed, whether or not claimed) any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service of process or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such Loan Party hereby irrevocably waives and agrees not to plead or claim, to the fullest extent permitted by law, such immunity in respect of (a) its obligations under the Loan Documents, (b) any legal proceedings to enforce such obligations and (c) any legal proceedings to enforce any judgment rendered in any proceedings to enforce such obligations. Each Loan Party hereby agrees that the waivers set forth in this Section 10.24 shall be to the fullest extent permitted under the Foreign Sovereign Immunities Act and are intended to be irrevocable for purposes of the Foreign Sovereign Immunities Act.

Section 10.25 Entire Agreement. This Agreement and the other Loan Documents constitute the entire agreement and understanding among the parties hereto and supersede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

[Remainder of page intentionally left blank]

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

BORROWER:

FIBROGEN, INC.

By: /s/ [*]
Name: [*]
Title: [*]

GUARANTORS:

FIBROGEN INTERNATIONAL (CAYMAN) LIMITED

By: /s/ [*]
Name: [*]
Title: [*]

FIBROGEN CHINA ANEMIA HOLDINGS, LTD.

By: /s/ [*]
Name: [*]
Title: [*]

FIBROGEN INTL LLC
By: FibroGen China Anemia Holdings, Ltd., its member

By:/s/ [*]
Name: [*]
Title: [*]

FIBROGEN INTERNATIONAL (HONG KONG) LIMITED

By: /s/ [*]
Name: [*]
Title: [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Administrative Agent

By: /s/ [*]
Name: [*]
Title: [*]

[Signature Page to Financing Agreement]

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NHTV Fairview Holding LLC,
as Lender

By: /s/ [*]
Name:[*]
Title:[*]

NHTV II Fairview Holding LLC,
as Lender

By: /s/ [*]
Name: [*]
Title: [*]

MSTV Fund II Employees Fairview Holding LLC,
as Lender

By: /s/ [*]
Name: [*]
Title: [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

APPENDIX A-1
TO FINANCING AGREEMENT

Initial Term Loan Commitment

Lender	Initial Term Loan Commitment	Pro Rata Share
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Total	**$75,000,000.00**	**[*]**

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APPENDIX A-2
TO FINANCING AGREEMENT

Delayed Draw Term Loan Tranche A Commitment

Lender	Delayed Draw Term Loan Tranche A Commitment	Pro Rata Share
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
Total	**$37,500,000.00**	**[*]**

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APPENDIX B
TO FINANCING AGREEMENT

Notice Addresses

FIBROGEN, INC.,
as Borrower
[*]

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

[*]

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NHTV Fairview Holding LLC

NHTV II Fairview Holding LLC

MSTV Fund II Employees Fairview Holding LLC,

as Lenders

[*]

in each case, with a copy to:

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Wilmington Trust, National Association,
as Administrative Agent

Administrative Agent's Principal Office:

[*]
in each case, with a copy to:

[*]

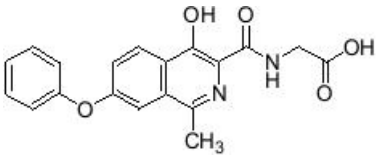
in each case, with a copy to:

[*]

Schedule 1.1(a)

Chemical Structure of Roxadustat

Chemical Structure for FG-4592 (Roxadustat):



ACTIVE/122689045

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Schedule 1.1(b)

Permitted Product Agreements

[*]

ACTIVE/122689045

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Schedule 1.1(c)

Permitted Product Transactions

[*]

ACTIVE/122689045

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Schedule 1.1(d)

Platform Intellectual Property

[*]

ACTIVE/122689045

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Schedule 4.1

Jurisdictions of Organization and Qualification

[*]

ACTIVE/122689045

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Schedule 4.2

Capital Stock and Ownership

[*]

ACTIVE/122689045

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Schedule 4.12

Real Property

[*]

ACTIVE/122689045
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Schedule 4.13

Environmental Matters

[*]

ACTIVE/122689045
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Schedule 4.15

Material Contracts

[*]

ACTIVE/122689045
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Schedule 1.1(e)

Other Relevant Contracts

[*]

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Schedule 4.23

Intellectual Property Exceptions

[*]

ACTIVE/122689045

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Schedule 4.24

Insurance

[*]

1.

ACTIVE/122689045
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Schedule 4.27

Bank Accounts and Securities Accounts

[*]

ACTIVE/122689045
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Schedule 4.34

Government Contracts

[*]

ACTIVE/122689045
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Schedule 5.14

Post-Closing Matters

[*]

ACTIVE/122689045

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Schedule 6.1

Certain Indebtedness

[*]

ACTIVE/122689045

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Schedule 6.2

Certain Liens

[*]

ACTIVE/122689045

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Schedule 6.6

Certain Loans and Advances to Employees

[*]

ACTIVE/122689045

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Schedule 6.7

Certain Investments

[*]

ACTIVE/122689045

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Schedule 6.12

Certain Affiliate Transactions

[*]

ACTIVE/122689045

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Exhibit 10.5

EXHIBIT A-1 TO
FINANCING AGREEMENT

FORM OF FUNDING NOTICE

[*]

EXHIBIT A-1-1

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

[*]

EXHIBIT A-1-2

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

[*]

EXHIBIT A-1-3

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EXHIBIT B TO
FINANCING AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

[*]

EXHIBIT B-1

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

[*]

EXHIBIT B-2

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CASH AND CASH EQUIVALENT BALANCES

[*]

EXHIBIT B-3

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

IP UPDATE

[*]

EXHIBIT B-4

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

**UPDATES TO
PERFECTION CERTIFICATE**

[*]

EXHIBIT B-5

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

EXHIBIT C TO
FINANCING AGREEMENT

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[*]

EXHIBIT C-1

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[*]

EXHIBIT C-2

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[*]

EXHIBIT C-3

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ANNEX 1 TO
ASSIGNMENT AND ASSUMPTION AGREEMENT

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT
AND ASSUMPTION AGREEMENT

[*]

EXHIBIT C-4

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

[*]

EXHIBIT C-5

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EXHIBIT D TO
FINANCING AGREEMENT

FORM OF CLOSING DATE CERTIFICATE

[*]

EXHIBIT D-1

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[*]

EXHIBIT D-2

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EXHIBIT E TO
FINANCING AGREEMENT

FORM OF SOLVENCY CERTIFICATE

[*]

EXHIBIT E-1

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

[*]

EXHIBIT E-2

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EXHIBIT F TO
FINANCING AGREEMENT

COUNTERPART AGREEMENT

[*]

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[*]

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[*]

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EXHIBIT A
SUPPLEMENTAL SCHEDULES TO PLEDGE AND SECURITY AGREEMENT

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EXHIBIT B
SUPPLEMENTAL SCHEDULES TO FINANCING AGREEMENT

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FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

[*]

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FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

[*]

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Exhibit 10.6

EVALUATION AGREEMENT

BY AND BETWEEN

FIBROGEN, INC.

AND

FORTIS THERAPEUTICS, INC.

May 5, 2023

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

EVALUATION AGREEMENT

This **Evaluation Agreement** (this "Agreement") is entered into as May 5, 2023 (the "Effective Date") by and between **FIBROGEN, INC.,** a Delaware corporation, with its principal place of business at 409 Illinois Street, San Francisco, California 94158 ("FibroGen"), and **FORTIS THERAPEUTICS, INC.**, having an address at 11099 North Torrey Pines Road, Suite 290, La Jolla, CA 92037 ("Fortis"). FibroGen and Fortis may be referred to herein individually as a "Party", or collectively as the "Parties".

RECITALS

Whereas, FibroGen and Fortis are entering into an Option Agreement and Plan of Merger (the "Option and Merger Agreement") pursuant to which Fortis is granting FibroGen an option to consummate the Merger (as defined below), pursuant to the terms of the Option and Merger Agreement;

Whereas, in order to evaluate whether FibroGen will exercise its Option (as defined below), FibroGen and Fortis desire to enter into an evaluation agreement, simultaneously with the execution of the Option and Merger Agreement, for the development of certain drug candidates, including FOR46, and for the evaluation by FibroGen of existing Fortis assets including the Products, pursuant to the terms and conditions of this Agreement;

Whereas, simultaneously with the execution of this Agreement, Fortis and UCSF (as defined below) have entered into the Fourth UCSF Amendment (as defined below) to amend certain terms of the UCSF License (as defined below) as they apply with respect to this Agreement; and

Now, therefore, in consideration of the foregoing and the mutual agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 "Affiliate" means, with respect to a particular Party, any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party, wherein "control" means the power to direct or cause the direction of the management or policies of a Party or Person, whether through ownership of more than fifty percent (50%) voting securities of such Party or Person, by contract, by board of director membership or representation, or otherwise. Subject to the foregoing, a Person shall only be deemed an Affiliate of a Party under this Agreement solely for the period it qualifies as an Affiliate under this definition. For purposes hereof, with respect to any investor in Fortis that is an Affiliate of Fortis, the portfolio companies of that investor shall not be deemed to be an Affiliate of Fortis solely by virtue of the fact that Fortis and such other portfolio companies are deemed to be under the common control of such investor.

1.2 "Agreement" is defined in the preamble hereto.

1.3 "Alliance Manager" is defined in Section 3.1(a).

1.4 "Applicable Law" means any applicable federal, state, territorial, foreign or local law, common law, statute, ordinance, judicial decision, rule, regulation or code of any Governmental Authority, including, as applicable, the FFDCA, Public Health Service Act (42 U.S.C. § 262 et seq.), U.S. Patent Act (35 U.S.C. §1 et seq.), Federal Civil False Claims Act (31 U.S.C. §3729 et seq.), and the Anti-Kickback Statute (42 U.S.C. §1320a-7b et seq.), all as amended from time to time, together with any rules, regulations, and compliance guidance promulgated thereunder.

1.5 "Assignable Subcontractor Agreement" means an agreement between FibroGen or any of its Affiliates and a Subcontractor that (a) relates solely to the performance of Development Activities under the Study Plan, (b) where the Subcontractor is [*], and (c) [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.6"Bankruptcy Laws" is defined in Section 11.4(b).

1.7"BLA" means a Biologics License Application or supplement thereto submitted to FDA under 42 U.S.C. §262 and the regulations promulgated thereunder.

1.8"Breaching Party" is defined in Section 11.3(a).

1.9"Business Day" means a day other than Saturday, Sunday or any other day on which commercial banks located in San Francisco or San Diego, California, U.S.A. are authorized or obligated by Applicable Law to close.

1.10"Calendar Quarter" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31, during the Term, or the applicable part thereof during the first or last calendar quarter of the Term.

1.11"Calendar Year" means any calendar year ending on December 31, or the applicable part thereof during the first or last year of the Term.

1.12"CD46 Agent" means any CD46-targeting agents or antibodies Controlled by Fortis [*], as further described in Schedule 1.12.

1.13"CDA" means that certain Mutual Confidential Disclosure Agreement [*] between the Parties.

1.14"CDR" means [*].

1.15"Claim" is defined in Section 13.1.

1.16"Clinical Study Report" means a report containing the results of a Clinical Trial of a pharmaceutical product that is consistent in content and format with Applicable Law and regulatory guidance and with the guidelines of the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) on Structure and Content of Clinical Study Reports.

1.17"Clinical Trial" means any human clinical study or trial of a pharmaceutical product.

1.18"COI" means COI Pharmaceuticals Inc.

1.19"COI STA Agreement" means that certain Master Services Agreement [*], between STA Pharmaceutical Hong Kong Limited and COI.

1.20"Collaboration Data" is defined in Section 8.3(a).

1.21"Collaboration IP" means, collectively, the Collaboration Patent Rights and the Collaboration Know-How.

1.22"Collaboration Know-How" means any Know-How, other than FibroGen Other Collaboration Know-How, that is discovered, developed, invented, created or generated by or on behalf of either Party (including through its Affiliates or Subcontractors), either solely or jointly, in the course of conducting activities under this Agreement or otherwise in the course of the research and use of the Products during the Term.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.23"Collaboration Patent Right" means any Patent Right that claims any invention included in Collaboration Know-How.

1.24"Commercialize" or "Commercialization" means, with respect to a product, all activities, whether initiated or conducted prior to or following Regulatory Approval for such product, undertaken in support of the promotion, marketing, sale and distribution (including importing, exporting, transporting, customs clearance, warehousing, invoicing, handling and delivering product to customers) of such product, including: (a) sales force efforts, detailing, advertising, marketing and promotional materials, sales and distribution, pricing, contracting managed markets and medical affairs, including publications, medical education, medical information, clinical science liaison activities, investigator initiated sponsored research programs and health economics and outcomes research, (b) the preparation, filing, and maintenance of Regulatory Materials, including the filing of annual updates, but excluding any such activities relating to obtaining the first, and only the first, Regulatory Approval for such product, (c) post-approval Clinical Trials and (d) other similar activities directly relating to such product. "Commercialize" means to engage in Commercialization activities.

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

1.26"Complaining Party" is defined in Section 12.1(b).

1.27"Complete," "Completed," or "Completion" means, with respect to a Clinical Trial, the point in time at which database lock for such trial has occurred and, if such trial has a statistical analysis plan, the primary endpoint and key safety data (including tables, listings and figures generated based on that database lock) under the statistical analysis plan for such trial are available.

1.28"Confidential Information" means all non-public or proprietary information disclosed by a Party to the other Party under this Agreement, which may include ideas, inventions, discoveries, concepts, compounds, compositions, formulations, formulas, practices, procedures, processes, methods, knowledge, know-how, trade secrets, technology, inventories, machines, techniques, development, designs, drawings, computer programs, skill, experience, documents, apparatus, results, clinical and regulatory strategies, regulatory documentation, information and submissions pertaining to, or made in association with, filings with any Regulatory Authority, data, including pharmacological, toxicological and clinical data, analytical and quality control data, manufacturing data and descriptions, patent and legal data, market data, financial data or descriptions, devices, assays, chemical formulations, specifications, material, product samples and other samples, physical, chemical and biological materials and compounds (including Materials), and the like, without regard as to whether any of the foregoing is marked "confidential" or "proprietary," or disclosed in oral, written, graphic, or electronic form. Confidential Information includes all "Confidential Information" as defined under the CDA between the Parties and disclosed pursuant to the CDA prior to the Effective Date.

1.29"Control" means, with respect to any Know-How, Patent Right or other intellectual property right, possession (through ownership, exclusive license/sublicense right or otherwise) by a Party, including its Controlled Affiliates, of the ability (without taking into account any rights granted by one Party to the other Party under the terms of this Agreement) to grant access, a license or a sublicense to such Know-How, Patent Right or other intellectual property right without violating the terms of any agreement or other arrangement with, or necessitating the consent of, any Third Party, at such time as the Party would be first required under this Agreement to grant the other Party such access, license or sublicense.

1.30"Controlled Affiliate" means, with respect to a party to this Agreement, any other Person that is controlled (as such term is defined in Section 1.1) by such Party.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.31 "CREATE Act" means the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. § 103(c)(2)-(c)(3).

1.32 "Cure Period" is defined in Section 11.3(a).

1.33 "Development" means, with respect to a product, all non-clinical and clinical drug development activities, including research, discovery, toxicology, pharmacology, and other non-clinical efforts, statistical analysis, formulation development, delivery system development, manufacturing development, statistical analysis, the performance of Clinical Trials, including the Manufacturing of such product for use in the Clinical Trials, or other activities reasonably necessary in order to obtain, but not maintain, Regulatory Approval of such product. "Development" will exclude all Commercialization activities. When used as a verb, "Develop" means to engage in Development activities.

1.34 "Development Activities" is defined in Section 5.1.

1.35 "Development Costs" is defined in Section 11.6(b).

1.36 "Development Fee Schedule" is defined in Section 7.1.

1.37 "Development Fees" is defined in Section 7.1.

1.38 "Development Force Majeure Event" means a Force Majeure Event causing the failure or delay in the achievement of any Development Activities under the Study Plan or any related, Manufacturing activities that are reasonably necessary, based on the design of the then-current Study Plan, (i) [*], or (ii) [*].

1.39 "Disclosing Party" is defined in Section 10.1.

1.40 "Dispute Notice" is defined in Section 12.1(b).

1.41 "Dispute(s)" is defined in Section 12.1(a).

1.42 "Effective Date" is defined in the preamble hereto.

1.43 "EMA" means the European Medicines Agency or any successor agency or authority having substantially the same function.

1.44 "EOP1 Meeting" means a Type B meeting with the FDA [*], to review the data from such Phase 1 Clinical Trial and reach agreement on plans for Phase 2 Clinical Trials program.

1.45 "EOP2 Meeting" means a Type B meeting with the FDA [*], to evaluate the plans for the Phase 3 Clinical Trial program and protocols, and to identify any additional information necessary to support a marketing application for the uses under investigation.

1.46 "EOP2 Minutes Date" is defined in Section 1.110.

1.47 "EU" means all of the European Union member states as of the applicable time during the Term.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.48"Evaluation Activities" is defined in Section 5.1.

1.49"Executive Officers" is defined in Section 12.1(b).

1.50"Existing Inventory" is defined in Section 5.10(a).

1.51"Exploit" or "Exploitation" means to research, make, have made, distribute, import, export, use, have used, sell, have sold, or offer for sale, including to Develop, Commercialize, register, modify, enhance, improve, Manufacture, have Manufactured or otherwise dispose of.

1.52"FDA" means the U.S. Food and Drug Administration, or any successor agency thereto.

1.53"FFDCA" means the United States Federal Food, Drug, and Cosmetic Act, as amended.

1.54"FibroGen" is defined in the preamble hereto.

1.55"FibroGen Background IP" means, collectively, the FibroGen Background Patent Rights and the FibroGen Background Know-How.

1.56"FibroGen Background Know-How" means any Know-How, excluding all FibroGen Other Collaboration Know-How and Collaboration Know-How, that is Controlled by FibroGen on the Effective Date or that comes into the Control of FibroGen during the Term(other than through the grant of a license by Fortis under this Agreement) independent of its activities under this Agreement.

1.57"FibroGen Background Patent Right" means any Patent Right, excluding all FibroGen Other Collaboration Patent Rights and Collaboration Patent Rights, that is Controlled by FibroGen on the Effective Date or that comes into the Control of FibroGen during the Term(other than through the grant of a license by Fortis) independent of its activities under this Agreement.

1.58"FibroGen Clinical Studies" means (a) a Phase 2 Clinical Trial that is a PET-driven mCRPC study investigating FOR46 and PET46, and (b) a Phase 1b Clinical Trial that is a tumor expansion study investigating FOR46.

1.59"FibroGen Indemnitee" is defined in Section 13.2.

1.60"FibroGen Other Collaboration Data" is defined in Section 8.3(b).

1.61"FibroGen Other Collaboration IP" means, collectively, the FibroGen Other Collaboration Patent Rights and the FibroGen Other Collaboration Know-How.

1.62"FibroGen Other Collaboration Know-How" means any Know-How that (a) is discovered, developed, invented, created or generated solely by or on behalf of FibroGen (including through its Affiliates or Subcontractors) in the course of conducting activities under this Agreement or otherwise in the course of the research and use of the Products during the Term, and (b) is not [*] related to any of the Products or Modified Products.

1.63"FibroGen Other Collaboration Patent Right" means any Patent Right that claims any invention included in FibroGen Other Collaboration Know-How.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.64"Field" means all fields.

1.65"FOR46" means a CD46-targeting antibody drug conjugate Controlled by Fortis, as further described in Schedule 1.66.

1.66"Force Majeure Event" means act of God, plague, pandemic or any escalation or worsening or subsequent waves thereof, epidemic, hurricane, tornado, tsunami, flood, volcanic eruption, earthquake, nuclear incident, war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest, national or regional emergency or other natural or man-made disaster, or similar event or condition beyond the reasonable control, and not the result of the fault or negligence, of the affected Party or Person and such Party had been unable to overcome such act or event with the exercise of due diligence.

1.67"Fortis" is defined in the preamble hereto.

1.68"Fortis Additional Product Requirement" is defined in Section 5.10(a).

1.69"Fortis Background IP" means, collectively, the Fortis Background Patent Rights and the Fortis Background Know-How.

1.70"Fortis Background Know-How" means any Know-How, other than Collaboration Know-How, that is Controlled by Fortis on the Effective Date or that comes into the Control of Fortis during the Term (other than through the grant of a license by FibroGen under this Agreement) independent of its activities under this Agreement.

1.71"Fortis Background Patent Right" means any Patent Right, other than a Collaboration Patent Right, that (a) is Controlled by Fortis on the Effective Date or that comes into the Control of Fortis during the Term (other than through the grant of a license by FibroGen under this Agreement) independent of its activities under this Agreement.

1.72"Fortis Clinical Studies" means (a) NCT03575819, a Phase 1 Study of FOR46 in Patients with Metastatic Castration Resistant Prostate Cancer (mCRPC) (also known as FOR46-001), (b) NCT05011188, FOR46 in Combination with Enzalutamide in Patients with Metastatic Castration Resistant Prostate Cancer, and (c) NCT05245006, PET Imaging Study of 89Zr-DFO-YS5 ("PET Technical Study") (each of (b) and (c), a "UCSF Study").

1.73"Fortis Development Activities" is defined in Section 11.6(a).

1.74"Fortis Indemnitee" is defined in Section 13.1.

1.75"Fortis In-License" means each license agreement set forth in Schedule 1.76.

1.76"Fortis IP" means, collectively, the Fortis Know-How and the Fortis Patent Rights.

1.77"Fortis Know-How" means, collectively, the Fortis Background Know-How and the Collaboration Know-How.

1.78[*].

1.79"Fortis IP Infringement" is defined in Section 8.7(a).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.80"Fortis IP Infringement Action" is defined in Section 8.7(b)(i).

1.81"Fortis Patent Enforcing Party" is defined in Section 8.7(b)(ii).

1.82"Fortis Patent Non-Enforcing Party" is defined in Section 8.7(b)(ii).

1.83"Fortis Patent Rights" means, collectively, the Fortis Background Patent Rights and the Collaboration Patent Rights.

1.84"Fourth UCSF Amendment" is defined in Section 1.140.

1.85"FTE" means, with respect to a Party and the performance of an activity, the work carried out by one or more qualified employees, contractors or consultants of such Party or its Affiliates devoted to or in direct support of such activity, where the work of an FTE shall be considered full-time based on [*] and, in the case of work that is less than full-time, will be pro-rated based on the actual number of hours expended by such FTE.

1.86"FTE Cost" means, with respect to a Party and the performance of an activity, the amount calculated by multiplying the FTE Rate by the number of FTEs expended by such Party or its Affiliates over the course of such activity.

1.87"FTE Rate" means a rate of [*] per full-time FTE per Calendar Year; provided that such rate shall be increased or decreased [*], or an alternative methodology that is mutually agreed to by both Parties.

1.88"Good Clinical Practices," "GCP" or "cGCP" means, with respect to any applicable jurisdiction, the then-current standards, practices and procedures for clinical trials for pharmaceuticals promulgated or endorsed by the applicable Regulatory Authority in such jurisdiction as set forth in the Applicable Laws of such jurisdiction, including, with respect to the United States, 21 C.F.R. Parts 11, 50, 54, 56 and 312, the guidelines titled "Guidance for Industry E6 Good Clinical Practice: Consolidated Guidance" and related regulatory requirements imposed by the FDA, and with respect to jurisdictions outside the United States, comparable regulatory standards, practices and procedures promulgated by the EMA, PMDA or other Regulatory Authority, as applicable, including any applicable quality guidelines promulgated under the International Conference on Harmonization ("ICH"), in each case as they may be updated from time to time.

1.89"Good Laboratory Practices," "GLP" or "cGLP" means, with respect to any applicable jurisdiction, the then-current standards, practices and procedures for laboratory activities for pharmaceuticals promulgated or endorsed by the applicable Regulatory Authority in such jurisdiction as set forth in the Applicable Laws of such jurisdiction, including, with respect to the United States, 21 C.F.R. Part 58 and related regulatory requirements imposed by the FDA, and with respect to jurisdictions outside the United States, comparable regulatory standards, practices and procedures promulgated by the EMA, PMDA or other Regulatory Authority, as applicable, including any applicable quality guidelines promulgated under the ICH, in each case as they may be updated from time to time.

1.90 "Good Manufacturing Practices," "GMP" or "cGMP" means, with respect to any applicable jurisdiction, the then-current good manufacturing practices for the methods to be used in, and the facilities or controls to be used for, the manufacture, processing, packing, and holding pharmaceutical materials required by the applicable Regulatory Authority in such jurisdiction as set forth in the Applicable Laws of such jurisdiction, including, with respect to the United States, 21 C.F.R. Parts 210 and 211 and related regulatory requirements imposed by the FDA and with respect to applicable jurisdictions outside the United States, the guidelines promulgated by the ICH designated ICH Q7A, titled "Q7A Good Manufacturing Practice Guidance for Active Pharmaceutical Ingredients" and the regulations promulgated thereunder, in each case as they may be updated from time to time.

1.91 "Governmental Authority" means any instrumentality, subdivision, court, administrative agency, commission, official or other authority of any country, state, province, prefect, municipality, locality or other government or political subdivision thereof, or any multinational organization or authority, or any quasi-governmental, private body or arbitral body exercising any executive, legislative, judicial, quasi-judicial, regulatory, taxing, importing, administrative or other governmental or quasi-governmental authority.

1.92 "ICH" is defined in Section 1.88.

1.93 "IND" means an Investigational New Drug application as defined in the FFDCA, as amended, and applicable regulations promulgated hereunder by the FDA, or a clinical trial authorization application for a product filed with a Regulatory Authority in any other regulatory jurisdiction outside the United States, the filing of which is necessary to commence or conduct clinical testing of a pharmaceutical product in humans in such jurisdiction.

1.94 "Indemnifying Party" is defined in Section 13.4(a).

1.95 "Indemnitee" is defined in Section 13.4(a).

1.96 "Indirect Tax" is defined in Section 7.4(f).

1.97 "Joint Steering Committee" and "JSC" is defined in Section 3.2(a).

1.98 "Judgment" means any writ, judgment, injunction, order, decree, stipulation determination or award entered by or with any Governmental Authority.

1.99 "Know-How" means information (including confidential information), know-how, inventions, discoveries, compositions, formulations, formulas, practices, procedures, processes, methods, knowledge, trade secrets, technology, techniques, designs, drawings, correspondence, computer programs, documents, apparatus, results, strategies, regulatory documentation, correspondence and submissions, and information pertaining to, or made in association with, filings with any Regulatory Authority or patent office, data (including pharmacological, toxicological, non-clinical, pre-clinical and clinical data, analytical and quality control data, manufacturing data and descriptions, market data, financial data or descriptions), devices, assays, specifications, physical, chemical and biological materials and compounds, and the like, in written, electronic, oral or other tangible or intangible form, now known or hereafter developed, whether or not patentable.

1.100 "Losses" is defined in Section 13.1.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.101 "Manufacture" means, with respect to a product, all activities related to the manufacturing of such product, or any ingredient or component thereof, including manufacturing of finished product for Development and Commercialization, labeling, packaging, in-process and finished product testing, release of product or any component or ingredient thereof, quality assurance activities related to manufacturing and release of product, ongoing stability tests and regulatory activities to perform any of the foregoing activities.

1.102 "Materials" means all biological materials or chemical compounds provided by a Party for use by the other Party to conduct activities pursuant to this Agreement, including Products, Clinical Trial samples, cell lines, compounds, lipids and assays so provided.

1.103 "Merger" means the merger contemplated in the Option and Merger Agreement.

1.104 "Modified Product" means [*]

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1.105 "Non-Breaching Party" is defined in Section 11.3(a).

1.106 "Ongoing Clinical Study" is defined in Section 11.7(e).

1.107 "Ongoing Clinical Study Payment" means, with respect to an Ongoing Clinical Study, an amount equal to (a) [*], including for clarity, all payments paid or accrued under Assignable Subcontractor Agreements and other agreements in connection with such Ongoing Clinical Study, *multiplied by* (b) [*].

1.108 "Option" is defined in the Option and Merger Agreement.

1.109 "Option and Merger Agreement" is defined in the recitals hereto.

1.110 "Option Exercise Deadline" means the date that is [*] the Option Exercise Deadline may be extended to such date as is mutually agreed in writing by FibroGen and Fortis in each Party's sole discretion.

1.111 "Outside Date" is defined in Section 1.110.

1.112 "Party" and "Parties" is defined in the preamble hereto.

1.113 "Patent Rights" means any and all (a) issued patents, (b) pending patent applications, including all provisional applications, substitutions, continuations, continuations-in-part, divisions and renewals, and all patents granted thereon, (c) patents-of-addition, reissues, reexaminations and extensions or restorations by existing or future extension or restoration mechanisms, including patent term adjustments, Patent Term Extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, (e) other forms of government-issued rights substantially similar to any of the foregoing and (f) United States and foreign counterparts of any of the foregoing.

1.114 "Patent Term Extension" means any term extensions, supplementary protection certificates and equivalents thereof offering patent protection beyond the initial term with respect to any issued patents.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.115"Person" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a Governmental Authority.

1.116"PET Technical Study" is defined in Section 1.72.

1.117"PET46" means a CD46-targeting PET agent Controlled by Fortis, as further described in Schedule 1.118.

1.118"Phase 1 Clinical Trial" means any Clinical Trial as described in 21 C.F.R. §312.21(a) (as amended or any successor regulation thereto), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial, that generally provides for the first introduction into humans of a pharmaceutical product with the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 CFR § 312.21(a).

1.119"Phase 1b Clinical Trial" means any Phase 1 Clinical Trial that includes criteria analyzing pharmacodynamics and clinical effect.

1.120"Phase 2 Clinical Trial" means any Clinical Trial as described in 21 C.F.R. §312.21(b) (as amended or any successor regulation thereto), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial, the principal purpose of which is to make a preliminary determination as to whether a pharmaceutical product is safe for its intended use and to obtain sufficient information about such product's efficacy, in a manner that is generally consistent with 21 CFR § 312.21(b), to permit the design of further Clinical Trials.

1.121"Phase 3 Clinical Trial" means any Clinical Trial as described in 21 C.F.R. §312.21(c) (as amended or any successor regulation thereto), or, with respect to a jurisdiction other than the United States, a similar Clinical Trial. For clarity, for purposes of this Agreement, where the data from Phase 2 Clinical Trials serves as the basis for obtaining Regulatory Approval for a Product, such Phase 2 Clinical Trials will not be deemed a Phase 3 Clinical Trial for purposes of this Agreement.

1.122"PMDA" means Japan's Pharmaceuticals and Medical Devices Agency and any successor agency(ies) or authority having substantially the same function.

1.123"Product" means any product containing, constituting or incorporating one or more of the following: (i) FOR46, (ii) CD46 Agent(s), or (iii) PET46.

1.124"Receiving Party" is defined in Section 10.1.

1.125"Regulatory Approval" means, with respect to a given product, all technical, medical and scientific licenses, registrations, authorizations and approvals (including approvals of BLAs, supplements and amendments, pre- and post- approvals, and labeling approvals) of any Regulatory Authority in a particular jurisdiction that is necessary for the Commercialization of such product in such jurisdiction in accordance with Applicable Laws.

1.126"Regulatory Authority" means any applicable Governmental Authority involved in granting Regulatory Approval in a country or jurisdiction, including, in the United States, the FDA and any other applicable Governmental Authority in the United States having jurisdiction over any product; in the EU, the EMA or any competent Governmental Authority in the EU; in Japan, the PMDA; and any other applicable Governmental Authority having jurisdiction over products.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.127 "Regulatory Materials" means regulatory applications, submissions, notifications, registrations, Regulatory Approvals or other submissions, including any written correspondence or meeting minutes, made to, made with, or received from a Regulatory Authority relating to any Product in a particular country or jurisdiction. Regulatory Materials include INDs and drug approval applications for any product, and amendments and supplements for any of the foregoing.

1.128 "Response" is defined in Section 12.1(b).

1.129 "Responsible Party" is defined in Section 6.1.

1.130 "Safety Data Exchange Agreement" is defined in Section 6.3.

1.131 "Study Plan" is defined in Section 5.1.

1.132 "Subcontractor" is defined in Section 5.5.

1.133 "Term" is defined in Section 11.1.

1.134 "Territory" means worldwide.

1.135 "TFL" means, with respect to a Clinical Trial, the tables, figures and listings for each Clinical Study Report for such Clinical Trial.

1.136 "Third Party" means a Person other than Fortis, FibroGen and their respective Affiliates.

1.137 "Third Party Source" is defined in Section 5.10(b).

1.138 "Transfer Costs" is defined in Section 11.6(b).

1.139 "UCSF" means The Regents of the University of California.

1.140 "UCSF License" means [*] (the "Fourth UCSF Amendment").

1.141 "UCSF Data Use Agreement" means [*].

1.142 "UCSF Study" is defined in Section 1.72.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

1.143"United States" means the United States of America, its territories and possessions, including Puerto Rico.

1.144"Upstream Payments" is defined in Section 7.3.

1.145"Virtual Data Room" means the electronic data room made available by Fortis to FibroGen through Microsoft SharePoint in connection with the negotiation of this Agreement, as constituted on or prior to the Effective Date.

1.146"Withholding Tax Action" is defined in Section 7.4(e).

1.147"YS5" or "YS5FL" means [*].

ARTICLE 2 OVERVIEW OF COLLABORATION

Under this Agreement, (a) the Parties will collaborate for the purpose of the Development of FOR46 [*], and (b) FibroGen will conduct certain evaluation and exploratory research activities with respect to the Products to determine whether FibroGen will exercise the Option pursuant to and in accordance with the Option and Merger Agreement, in each case ((a) and (b)), through the performance of activities set forth in the Study Plan.

ARTICLE 3 GOVERNANCE

3.1.**Alliance Managers**.

(a)**Appointment**. Each Party will appoint a representative of such Party to act as its alliance manager under this Agreement (each, an "Alliance Manager"). Each Party will notify the other of its Alliance Manager within [*]. Each Party may replace its Alliance Manager at any time upon notice to the other Party.

(b)**Specific Responsibilities**. Unless the Parties otherwise agree, the Alliance Managers will attend meetings of the JSC. The Alliance Managers will serve as the primary contact point between the Parties for the purpose of providing each Party with information regarding the other Parties' activities pursuant to this Agreement and will have the following responsibilities:

(i)schedule meetings of the JSC and circulate draft written minutes as provided in Section 3.2(c)(ii);

(ii)facilitate the flow of information and otherwise promote communication, coordination and collaboration between the Parties;

(iii)provide a forum of communication between the Parties regarding activities under this Agreement; and

(iv)perform such other functions as requested by the JSC.

3.2.**Joint Steering Committee**.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(a)**Formation**. Within [*], Fortis and FibroGen will establish a joint steering committee (the "Joint Steering Committee" or "JSC") to oversee and coordinate activities under the Study Plan. The JSC will be comprised of [*] representatives from each of Fortis and FibroGen, which representatives will have the appropriate experience, expertise and seniority to enable them to fulfill the JSC's responsibilities hereunder. In addition, each of Fortis and FibroGen may invite a reasonable number of additional representatives to participate in discussions and meetings of the JSC solely in non-voting capacities. From time to time each Party may replace its JSC representatives by written notice to the other Party specifying the prior representative(s) and their replacement(s). Each Party's representatives on a JSC and all other individuals participating in discussions and meetings of the JSC on behalf of a Party will be subject to confidentiality and non-use obligations with respect to information disclosed at such meetings that are no less restrictive than the provisions of Article 10. The JSC will conduct its responsibilities hereunder in good faith and with reasonable care and diligence. The purpose of the JSC will be to provide its members periodic updates regarding the progress of activities pursuant to the Study Plan and to address the matters set forth in Section 3.2(b).

(b)**Responsibilities**. The JSC will be responsible for:

(i)overseeing the conduct, progress, and direction of the Study Plan activities;

(ii)reviewing and discussing results of the Study Plan activities;

(iii)reviewing and discussing regulatory matters concerning the Products;

(iv)overseeing the transfers of Know-How and Materials required under Section 5.8 and Section 5.9;

(v)reviewing and approving amendments to the Study Plan; and

(vi)performing such other duties as are specifically assigned to the JSC under this Agreement.

(c)Meetings; Minutes.

(i)The JSC will meet (with videoconferencing or teleconferencing being sufficient) [*] on such dates and at such times and places as agreed to by the members of the JSC. Each Party will be responsible for its own expenses relating to attendance at, or participation in, JSC meetings.

(ii)The FibroGen Alliance Manager will provide the members of the JSC with draft written minutes for approval from each meeting [*] after each such meeting. If the minutes of any meeting of the JSC are not approved by the JSC (with each Party's representatives on the JSC [*]) [*] after the meeting, the objecting Party will append a notice of objection with the specific details of the objection to the proposed minutes, and the Parties shall agree on the final minutes [*].

(d)**Decision-Making**. Each Party's representatives on the JSC will [*] on all matters within the scope of the JSC's responsibilities. The JSC's members will use [*] to reach agreement on any and all JSC matters. If the JSC is unable to reach consensus with respect to a particular matter for which it is responsible within [*] after the matter is first presented to the JSC, then, at either Party's request, the matter will be escalated for consideration by Executive Officers pursuant to Section 12.1(b). If Executive Officers do not reach mutual agreement with respect to such matter within [*], then the matter will be decided in accordance with the following:

(i)[*];

(ii)subject to clause (i) above, [*]; and

(iii)subject to clause (i) and clause (ii) above, [*];

provided that, in each case ((ii) and (iii)), notwithstanding anything to the contrary set forth in this Agreement, neither Party will have the authority to make any final decision that: (1) [*]; or (2) would reasonably be expected to require the other Party to take any action that the other Party reasonably believes would require the other Party to (x) violate any Applicable Law, including the requirements of any Regulatory Authority, (y) breach or otherwise violate any agreement with any Third Party entered into by the other Party (including, with respect to Fortis, the UCSF License), or (z) infringe or misappropriate any intellectual property rights of any Third Party.

In addition, and notwithstanding anything to the contrary in this Agreement, the JSC will not have the right to decide matters that are not expressly within the authority of the JSC, including the right to resolve disputes involving the breach or alleged breach of diligence obligations (which will be instead resolved in accordance with Article 12), modifications to final decision-making rights of the JSC, or amendments to this Agreement (other than amendments to the Study Plan in accordance with this Agreement).

ARTICLE 4 LICENSE GRANTS; EXCLUSIVITY

4.1.**Licenses**.

(a)**FibroGen Research and Development License**. Subject to the terms and conditions of this Agreement, Fortis will grant and hereby grants to FibroGen an exclusive, non-sublicensable (except to Affiliates and Subcontractors, and to Fortis as set forth below), non-transferable (except in compliance with Section 14.4), worldwide, irrevocable during the term of this Agreement (except as expressly set forth in Article 11) license under the Fortis Background IP and Collaboration IP to perform Development Activities allocated to FibroGen under the Study Plan, and to perform Evaluation Activities in the Field in the Territory during the Term and to otherwise perform FibroGen's obligations under this Agreement. For clarity, the foregoing license expressly excludes the right for FibroGen to file for Regulatory Approval for any of the Products or Modified Products, and any right to Commercialize any of the Products or Modified Products.

(b)**Fortis Research and Development License**. Subject to the terms and conditions of this Agreement, FibroGen will grant and hereby grants to Fortis a non-exclusive, non-sublicensable (except to Subcontractors), non-transferable (except in compliance with Section 14.4), worldwide, irrevocable during the term of this Agreement (except as expressly set forth in Article 11), (i) license under the FibroGen Other Collaboration IP, and (ii) sublicense back under the Fortis Background IP and Collaboration IP (which are exclusively licensed to FibroGen under clause (a) above), in each case ((i) and (ii)), solely as necessary to perform Development Activities allocated to Fortis under the Study Plan in the Field in the Territory during the Term and to otherwise perform Fortis's obligations under this Agreement.

(c)**No Implied Licenses**. No license or other right is or will be created or granted hereunder by implication, estoppel, or otherwise. All licenses and rights are or will be granted only as expressly provided in this Agreement. All rights not expressly granted by FibroGen or Fortis to the other Party under this Agreement are reserved and may not be used by the other Party for any purpose.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

4.2. **Fortis In-Licenses**. Notwithstanding anything to the contrary in this Agreement, FibroGen acknowledges and agrees that the rights, licenses, and sublicenses granted by Fortis to FibroGen in this Agreement (including any right to sublicense) are subject to the terms and conditions of the Fortis In-Licenses, and the rights granted to Third Parties thereunder, the scope of the licenses granted to Fortis thereunder and the rights retained by such Third Parties and any other Third Parties (including Governmental Authorities) set forth therein. FibroGen agrees to comply with the terms and conditions of the provisions of the Fortis In-Licenses that are applicable to FibroGen as a sublicensee, with respect to sublicenses granted by Fortis to FibroGen under Section 4.1(a) under such Fortis In-Licenses. FibroGen shall not take or omit to take any action, or permit its Affiliates or Subcontractors to take or omit to take any action, that could be construed as a violation of such applicable terms and conditions under any such Fortis In-License. [*]. For clarity, any such material breach under the UCSF License shall be deemed a material breach of this Agreement by the Party causing such material breach. FibroGen shall [*] provide to Fortis all necessary information in FibroGen's possession relating to FibroGen's performance as a sublicensee of Fortis under the Fortis In-Licenses for Fortis to comply with its obligations thereunder.

ARTICLE 5 RESEARCH, DEVELOPMENT, MANUFACTURE

5.1. **Study Plan**. During the Term, FibroGen and Fortis will conduct the collaboration activities in accordance with a study plan ("Study Plan"). The Study Plan will include and be limited to (a) research, CMC, non-clinical development, clinical development, and regulatory activities to be conducted by each Party in support of Development of the Products to achieve the objectives in Article 2 (such activities in the Study Plan, "Development Activities") and (b) other research and development activities to evaluate the Products and derivatives of the Products (including Modified Products) that FibroGen elects to perform (such activities in the Study Plan, the "Evaluation Activities"), and (c) the allocation of responsibility, as between the Parties, and any timelines with respect to the activities in clause (a) and (b). The initial Study Plan is attached hereto as Exhibit A. The Parties will only be permitted to perform Development activities with respect to the Products and Modified Products to the extent included in or otherwise described within the Study Plan. Either Party may submit proposed amendments to the Study Plan from time to time for review and approval by the JSC, and will be effective [*] and incorporated into this Agreement.

5.2. **Performance of Development Activities**. Each Party will perform the Development Activities for which such Party is responsible under the Study Plan and will use Commercially Reasonable Efforts to perform such activities in accordance with the timelines set forth therein; provided that Fortis's performance of its Development Activities will be subject to FibroGen's compliance with its funding obligations with respect to the Development Fees. Each Party will use Commercially Reasonable Efforts to cooperate with the other Party in carrying out the Development Activities in accordance with the Study Plan. Each Party will, and will require its Affiliates and Subcontractors to, comply with all Applicable Laws in its and their conduct of the Development Activities under the Study Plan, including where appropriate GMP, GCP and GLP (or similar standards). Notwithstanding anything to the contrary, FibroGen may not initiate, and no Study Plan will include, any Phase 3 Clinical Trial or any Clinical Trial other than a FibroGen Clinical Study or Fortis Clinical Study, with respect to any of the Products or Modified Products unless with the prior written consent of Fortis [*]. [*].

5.3. **Performance of Evaluation Activities**. The Evaluation Activities set forth in the Study Plan are discretionary and FibroGen will have the right, but not the obligation, to perform any of the Evaluation Activities described in the Study Plan; provided that, for clarity, FibroGen will only be permitted to perform Evaluation activities with respect to the Products and Modified Products during the Term to the extent described in the Study Plan. Upon request by FibroGen, Fortis will reasonably cooperate with FibroGen as necessary or useful in connection with FibroGen's performance of the Evaluation Activities, [*]. FibroGen will, and will require its Affiliates and Subcontractors to, comply with all Applicable Laws in its and their conduct of the Evaluation Activities under the Study Plan, including where appropriate GMP, GCP and GLP (or similar standards).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

5.4. **Deliverables.** The Study Plan will set forth the deliverables to be provided by each Party in connection with the Development Activities. Without limiting the foregoing, with respect to each Fortis Clinical Study other than the UCSF Studies, Fortis will (a) provide to FibroGen all data (including all raw data), results, analyses and TFLs as soon as reasonably practicable after Fortis's receipt thereof [*], and (b) use Commercially Reasonable Efforts to provide to FibroGen the Clinical Study Report [*]. With respect to the UCSF Studies, Fortis will provide to FibroGen all data, results, TFLs and Clinical Study Reports received from UCSF pursuant to the applicable agreement with UCSF relating to the UCSF Study [*], and will [*] to cause UCSF to provide such data, results, TFLs and Clinical Study Reports [*], and consistent with UCSF's obligation to provide such data, TFLs and Clinical Study Reports under the applicable agreement with UCSF.

5.5. **Subcontractors**. Each Party may engage consultants, subcontractors or other vendors to perform activities under a Study Plan (each, a "Subcontractor"), provided that (a) Fortis will obtain FibroGen's written consent prior to engaging any Subcontractor that is not identified in the then-current Study Plan as performing such activities, provided that all Subcontractors of Fortis [*], as set forth in Schedule 5.5, [*]; and (b) [*]. Each Party will ensure that it enters a written agreement with its Subcontractor that (i) is consistent with the provisions of this Agreement, including confidentiality and non-use obligations with respect to Confidential Information that are no less restrictive than the provisions of Article 10 and intellectual property ownership provisions consistent with Article 8, and (ii) does not [*]. FibroGen shall [*] and, subject to Section 11.7(d) and Section 11.7(e), such provision does not [*]. Each Party will be responsible for the effective and timely management of and payment of its Subcontractors. The engagement of any Subcontractor in compliance with this Section 5.5 will not relieve the applicable Party of its obligations under this Agreement or the Study Plan and except as expressly provided in this Agreement, [*].

5.6. **Records**. Each Party will maintain, and cause its Affiliates and Subcontractors to maintain, records of its Development Activities and Evaluation Activities under the Study Plan in sufficient detail and in good scientific manner appropriate for scientific, patent and regulatory purposes, which will be complete and accurate in all material respects and will fully and properly reflect all work done, data and developments made, and results achieved.

5.7. **Progress Updates**. [*] each Party will present an update to the JSC at each meeting of the JSC, on such Party's progress under the Study Plan with respect to the performance of the Development Activities and Evaluation Activities [*], including a summary of any results and data generated by such Party under the Study Plan [*].

5.8. **Materials Transfer**. To facilitate the conduct of activities under the Study Plan, each Party will provide any Materials required by the Study Plan to be transferred to the other Party. All Materials (a) will remain the sole property of the supplying Party, (b) will be used only in the fulfillment of the receiving Party's obligations or exercise of rights under this Agreement, (c) will remain solely under the control of the receiving Party unless otherwise provided in the Study Plan, (d) will not be used or delivered by the receiving Party to or for the benefit of any Third Party (other than for use by a permitted Subcontractor for activities under the Study Plan) without the prior written consent of the supplying Party and (e) except with respect to any Materials provided for use in a Clinical Trial under this Agreement, will not be used in research or testing involving human subjects, unless expressly agreed by the supplying Party in writing. Except as expressly provided in this Agreement (including Section 5.10(c)), all Materials supplied under this Section 5.8 are supplied "as is," with no warranties of fitness for a particular purpose, and must be used with prudence and appropriate caution in any experimental work, since not all of their characteristics may be known.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

5.9. **Fortis Know-How Transfer**. [*], Fortis will make available and deliver to FibroGen (or a designated Affiliate thereof) all Fortis Know-How in Fortis's possession or control, and in the format and form such Fortis Know-How exists, that has not been previously provided under this Agreement, including for clarity, any Collaboration Know-How newly developed by or on behalf of Fortis that has not yet been made available or delivered to FibroGen, for use in accordance with the terms of FibroGen's exclusive license under Section 4.1(a). To assist with the transfer of such Fortis Know-How, Fortis will make its personnel reasonably available to FibroGen and its designated Affiliates during normal business hours for the transfer of such Fortis Know-How. [*].

5.10. **Manufacturing**.

(a) Fortis will use its existing inventory of Products as of the Effective Date ("Existing Inventory") to supply all Products necessary to conduct the Fortis Clinical Studies and for any other purposes set forth in the Study Plan that is to be supplied from the Existing Inventory. Fortis will not use the Existing Inventory for any other purpose unless approved by the JSC. To the extent that the Existing Inventory is insufficient for the requirements of the Fortis Clinical Studies or any other Study Plan activities meant to be supplied from the Existing Inventory, then FibroGen will be responsible for supplying any additional Products required to meet such outstanding requirement ("Fortis Additional Product Requirement") at its cost.

(b) Within [*], the Parties will meet in good faith to discuss the establishment of a Third Party supply of Products to FibroGen meeting any quantity and quality requirements of the applicable Study Plan activities, meeting the necessary timeframe required by the Study Plan, and on commercially reasonable terms (whether using Fortis's existing supplier of Products or another Third Party supplier) ("Third Party Source"). The Parties will use Commercially Reasonable Efforts to cooperate and establish a Third Party Source to FibroGen within the timelines and in the quantities set forth in the Study Plan, which efforts by Fortis will include, solely if requested by FibroGen: (i) Fortis entering into an amendment to one or more supply agreements [*] to permit FibroGen to order, and to oversee and authorize all aspects of CMC (including Manufacturing) with respect to, such Products or related components, packaging or labeling, as applicable, under such supply agreements, in order to meet FibroGen's obligations under this Agreement [*], provided that [*] to meet FibroGen's obligations under this Agreement, at FibroGen's [*].

(c) FibroGen will be responsible for the supply of any Products necessary for the FibroGen Clinical Studies, any Evaluation Activities under the Study Plan and the Fortis Additional Product Requirements, at its cost. All Products supplied by FibroGen pursuant to Fortis Additional Product Requirements (i) shall be manufactured in accordance with GMP and applicable specifications for such Products, shall not be adulterated or misbranded, and shall be free and clear of any liens or encumbrances, and (ii) shall otherwise comply with any quality agreement that the Parties may enter into with respect to the Products.

(d) Fortis will use [*] to cause COI to assign the COI STA Agreement to Fortis [*].

ARTICLE 6 REGULATORY

6.1. **Responsibility**. [*], each Party will prepare, file and maintain Regulatory Materials with respect to the Products, and will be solely responsible for managing further regulatory interactions with the Regulatory Authorities, to the extent such activities are allocated to such Party in the Study Plan (such Party, the "Responsible Party"). To the extent a Responsible Party is responsible for filing and maintaining Regulatory Materials or is responsible for interactions with Regulatory Authorities under this Agreement, but the other Party is legally responsible for such filings and maintenance or interactions under Applicable Law (including applicable regulatory rules), then such legally responsible Party will cooperate and assist the Responsible Party with such filings and maintenance or interactions as reasonably directed by the Responsible Party, [*]. The Responsible Party will provide the other Party with advance drafts of any material Regulatory Materials or correspondence it is responsible for, and that it plans to submit to the applicable Regulatory Authority, as such drafts are prepared and in all cases sufficiently in advance so as to afford the other Party a meaningful opportunity to review such Regulatory Materials or correspondence. The non-Responsible Party may provide comments regarding such Regulatory Materials or correspondence, prior to their submission, and the Responsible Party will consider any such comments in good faith. The Responsible Party will also provide the other Party with final copies of all Regulatory Materials that it submits to, and all material correspondence it receives from, a Regulatory Authority pertaining to the Products, [*] after such submission or receipt, [*]. Each Party will have the right to have [*] representative attend all meetings (including the EOP1 Meeting and EOP2 Meeting, and other meetings by telephone), conferences and discussions between the other Party and the Regulatory Authorities pertaining to the Products to the extent permitted by each such Regulatory Authority.

6.2. **Ownership**. Ownership of all rights, title and interests in and to any and all Regulatory Materials for any Product, including all INDs (other than INDs for the UCSF Studies), will be held in the name of Fortis.

6.3. **Pharmacovigilance**. The Parties will cooperate with each other to ensure the reporting and handling of safety information involving the Products complies with Applicable Laws regarding pharmacovigilance and clinical safety. Prior to the submission of proposed protocols for a FibroGen Clinical Study, the Parties will negotiate in good faith and enter into a separate safety data exchange agreement which will define the pharmacovigilance responsibilities of the Parties (a "Safety Data Exchange Agreement"). The Safety Data Exchange Agreement will set forth responsibilities, guidelines and procedures for (i) the receipt, investigation, recording, review, communication, reporting and exchange between the Parties of adverse event reports, (ii) communication with Regulatory Authorities regarding adverse events, and (iii) the maintenance of a global safety database with respect to the Products. Notwithstanding anything to the contrary set forth in any such Safety Data Exchange Agreement, nothing will restrict either Party's ability to take any action that it deems to be appropriate or necessary to comply with its obligations under Applicable Law.

6.4. **Recalls of Products**. Each Party will promptly notify the other Party [*] upon making a determination that any event, incident, or circumstance has occurred that may result in the need for a recall, withdrawal, removal, or field alert of or concerning a Product. Prior to initiating any recall, withdrawal, removal, or field alert, the Parties will use [*] to consult with each other regarding the reasons for such action and the scope of activities to be conducted thereunder. Except as otherwise agreed by the Parties, [*]. Except as otherwise agreed by the Parties, [*].

6.5. **Clinical Holds**. Each Party will notify the other Party [*], except that with respect to a UCSF Study, as soon as practicable after Fortis receives the applicable notice from UCSF) in the event that any Clinical Trial for a Product is suspended, placed on clinical hold, or terminated prior to completion as a result of any action by a Regulatory Authority, institutional review board, or ethics committee.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

6.6. **Regulatory Audit**. If a Regulatory Authority notifies a Party that it plans to conduct an inspection or audit of such Party's facility or a Subcontractor of such Party (to the extent permitted under the applicable agreement with such Subcontractor) with regard to any Product, then such Party will notify the other Party [*] of such notification of such audit or inspection and provide such other Party with copies of any materials provided to it by the applicable Regulatory Authority, provided that the first Party will not be required to notify the other Party of audits or inspections that do not relate to any Product, except where such audits result in communications or actions of such Regulatory Authority which have an impact upon any Product. In addition, if a Regulatory Authority conducts an unannounced inspection or audit of a Party or a Subcontractor or such Party (to the extent permitted under the applicable agreement with such Subcontractor) with regard to any Product, then such Party will notify the other Party [*]. The inspected Party will cooperate, and will [*] to cause the applicable Subcontractor to cooperate, with such Regulatory Authority during such inspection or audit. Without limiting Section 6.1, following any such inspection or audit, (a) such Party will provide the other Party with a copy of any inspection or audit observations of such Regulatory Authority, [*] upon its receipt thereof, and copies of any other written communications received from Regulatory Authorities with respect to such inspections or audits (to the extent such written communications relate to any Product or the Manufacture thereof) in a timely manner after its receipt thereof, and (b) such Party will provide the other Party with a copy of any proposed response to any such observations or communications and will implement such other Party's reasonable comments with respect to such proposed response. The inspected Party agrees to conform its activities under this Agreement to any commitments made in such a response.

6.7. **UCSF Data Use Agreement**. Each Party will use [*] to enter the UCSF Data Use Agreement [*] (or if the Parties cannot enter such agreement [*], provided that [*].

ARTICLE 7 PAYMENT

7.1. **Development Fees**.

(a) As compensation to Fortis for its costs and expenses with respect to the Fortis's Development Activities under the Study Plan, FibroGen will pay the following non-refundable, non-creditable amounts ("Development Fees") to Fortis in accordance with the following schedule (the "Development Fee Schedule") and in accordance with the process below:

Date	Development Fee Payment
[*]	$1,250,000
[*]	$1,250,000
[*]	$1,250,000
[*]	$1,250,000

(b) On each of the dates of payment in the table above, Fortis will provide an invoice to FibroGen for the corresponding Development Fee amount and FibroGen will pay such amount [*]. For clarity, [*] unless agreed by the Parties in writing or expressly set forth in this Agreement.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

7.2. **Other Costs**. Except as provided in this Article 7 or otherwise expressly set forth in this Agreement, [*].

7.3. **Fortis In-License Payments**. [*] the "Upstream Payments"). FibroGen will pay Fortis the amounts of any Upstream Payment [*].

7.4. **Taxes**.

(a) **Cooperation and Coordination.** The Parties acknowledge and agree that it is their mutual objective and intent to appropriately calculate, and to the extent feasible and legal, minimize taxes payable with respect to their collaborative efforts under this Agreement and that they will use [*] to cooperate and coordinate with each other to achieve such objective.

(b) **Payment of Tax.** Except as otherwise provided in this Section 7.4, a Party receiving a payment pursuant to this Article 7 will pay any and all income taxes levied on such payment. If Applicable Laws require that taxes be deducted and withheld from a payment made pursuant to this Article 7 and such taxes cannot be reduced or eliminated under an applicable tax treaty or otherwise, the remitting Party will (i) deduct those taxes from the payment; (ii) pay the taxes to the proper taxing authority; (iii) remit the remaining amount of such payment to the recipient, and (iv) promptly send evidence of the obligation together with proof of payment to the other Party following that payment.

(c) **Tax Residence Certificate.** A Party receiving a payment pursuant to this Article 7 will provide the remitting Party appropriate certification from relevant revenue authorities that such Party is a tax resident of that jurisdiction, if such receiving Party wishes to claim the benefits of an income tax treaty to which that jurisdiction is a party. The paying Party shall use [*] to inform the Party receiving payment of any forms, certificates or other items necessary to do so and provide the payee a reasonable opportunity to provide such forms, certificate or other items. Upon the receipt thereof, any deduction and withholding of taxes will be made at the appropriate treaty tax rate.

(d) **Assessment**. Either Party may, at its own expense, protest any assessment, proposed assessment, or other claim by any Governmental Authority for any additional amount of taxes, interest or penalties or seek a refund of such amounts paid if permitted to do so by Applicable Law. The Parties will cooperate with each other in any protest by providing records and such additional information as may reasonably be necessary for a Party to pursue such protest.

(e) **Redomicile, Assignment or Sublicense**. If a Party that owes a payment under this Agreement takes any action, including without limitation, redomiciling, assigning, or sublicensing its rights and obligations to any Person under this Agreement (including by an assignment of this Agreement as permitted under this Agreement) (each a "Withholding Tax Action"), and such Withholding Tax Action leads to the imposition or increase of withholding tax liability on a payment due to the other Party that would not have been imposed or increased in the absence of such Withholding Tax Action by the paying Party, then [*].

(f) **Indirect Taxes**. Notwithstanding anything to the contrary in this Agreement, all amounts stated herein are exclusive of any transfer, documentary, sales, use, stamp, registration, value-added, goods and services tax or other similar tax (each an "Indirect Tax"). [*]. [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(g)**Foreign Derived Intangible Income**. The Parties shall use [*] to provide, and to cause their respective Affiliates, subcontractors, sublicenses, customers, and applicable Third Parties to provide, any information and documentation reasonably requested by the other Party to obtain the benefits of (i) Section 250 of the Internal Revenue Code of 1986, as amended and the applicable Treasury Regulations and/or (ii) any new U.S. tax legislation enacted during the term of this agreement that could provide a material tax benefit to either Party.

ARTICLE 8 INTELLECTUAL PROPERTY MATTERS

8.1.**Ownership of Background IP**. FibroGen will own and retain all of its rights, title and interests in and to the FibroGen Background IP and Fortis will own and retain all of its rights, title and interests in and to the Fortis Background IP, in each case subject to any assignments, rights or licenses expressly granted by one Party to the other Party under this Agreement.

8.2.**Collaboration IP; FibroGen Other Collaboration IP**.

(a)**Collaboration IP**. Regardless of inventorship, as between the Parties, [*]. To the extent any rights, title or interest in or to the Collaboration IP vests in FibroGen (other than through the grant of a license by Fortis), FibroGen will assign, and hereby assigns to Fortis all of its rights, title and interest in and to the Collaboration IP.

(b)**FibroGen Other Collaboration IP**. As between the Parties, [*], and will retain all of its rights, title and interests therein and thereto, subject to any assignments, rights or licenses expressly granted by FibroGen to Fortis under this Agreement.

(c)**Inventorship**. Except as provided under Section 8.2(a) and 8.2(b), the ownership of all other intellectual property rights will be based on inventorship. Inventorship under this Agreement will be determined in accordance with United States patent laws.

(d)**Disclosure; Assignment**. Each Party will promptly disclose to the other Party in writing, and will cause its Affiliates to so disclose, the discovery, development, invention or creation of any new Fortis Background IP or Collaboration IP, or FibroGen Other Collaboration IP necessary to Exploit any Product or any Modified Product, under this Agreement. (i) Fortis will ensure that employees or agents of Fortis, its Affiliates and their Subcontractors that are conducting Development Activities have entered into employment or contracting agreements whereby their entire right, title and interest in and to Know-How and Patent Rights that are Collaboration IP has been assigned to Fortis as of the date of invention; and (ii) FibroGen will ensure that employees or agents of FibroGen, its Affiliates and their Subcontractors that are conducting activities under this Agreement have entered into employment or contracting agreements whereby their entire right, title and interest in and to Know-How and Patent Rights that are Collaboration IP or FibroGen Other Collaboration IP has been assigned to FibroGen as of the date of invention, in each case (i) and (ii) as is necessary to enable such Party to fully effect the ownership of such Collaboration IP and FibroGen Other Collaboration IP as provided for in Section 8.2(a) and Section 8.2(b). Each Party shall, and shall cause its Affiliates, employees, agents, and Subcontractors to, cooperate with such other Party and take all reasonable additional actions and execute such agreements, instruments and documents as may be reasonably required to perfect such other Party's right, title and interest in and to Collaboration IP as set forth in Section 8.2(a).

8.3.**Data**.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(a)**Collaboration Data**. All data (including any raw data, clinical data, non-clinical data, and any related information, analyses, and reports as available), other than the FibroGen Other Collaboration Data, generated by or on behalf of either Party during the performance of Development Activities and Evaluation Activities under the Study Plan ("Collaboration Data") will be solely owned by Fortis and will be deemed to be Collaboration Know-How.

(b)**FibroGen Other Collaboration Data**. All data generated by or on behalf of FibroGen during the performance of Evaluation Activities under the Study Plan that is not specifically related to any of the Products or Modified Products (the "FibroGen Other Collaboration Data") will be solely owned by FibroGen and will be deemed to be FibroGen Other Collaboration Know-How.

(c)**Disclosure**. Each Party will regularly provide to the JSC a summary of all Collaboration Data and, solely with respect to FibroGen, any FibroGen Other Collaboration Data related to any of the Products or Modified Products, that was generated by or on behalf of such Party. Upon FibroGen's request, Fortis will provide to FibroGen a copy of all Collaboration Data that is generated by or on behalf of Fortis that Fortis has not previously provided to FibroGen. FibroGen will provide to Fortis (i) all Collaboration Data and (ii) upon Fortis's request, any FibroGen Other Collaboration Data related to any of the Products or Modified Products, in each case (i) and (ii) that was generated by or on behalf of FibroGen that FibroGen has not previously provided to Fortis. The Parties will mutually agree on an electronic transfer format for the data transfers under this Section 8.3(c).

8.4.**Prosecution of Patent Rights**.

(a)**FibroGen Patent Rights**. As between the Parties, FibroGen will have the sole right and authority to prepare, file, prosecute and maintain the FibroGen Background Patent Rights and the FibroGen Other Collaboration Patent Rights in the name of FibroGen on a worldwide basis at its sole discretion and expense.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b)**Fortis Patent Rights**. [*], as between the Parties, [*] to prepare, file, prosecute and maintain the Fortis Patent Rights in the name of Fortis on a worldwide basis (including by timely making all filings and paying all fees required to be filed or paid in connection with the continued prosecution and maintenance of the Fortis Patent Rights), [*]; provided, however, that FibroGen will have the right to cease prosecution and maintenance of any Fortis Patent Right, subject to the last two sentences of this Section 8.4(b). FibroGen will provide Fortis an opportunity to review and comment on such efforts regarding the Fortis Patent Rights, including by promptly providing Fortis with a copy of all communications from or relating to any patent authority regarding such Fortis Patent Right, and by providing drafts of all material filings or responses to be made to such patent authorities and instructions relating thereto reasonably in advance and [*] to submitting such filings, responses or instructions (to the extent reasonably practicable) to give Fortis an opportunity to review and comment. FibroGen will consider all comments from Fortis in good faith regarding such communications and drafts and will consider all timely reasonable requests by Fortis for FibroGen to file one or more continuations, continuations-in-part, divisionals, national stage applications or direct applications in any country, include one or more additional jurisdictions among the jurisdictions in which FibroGen will seek to file (and thereafter prosecute and maintain) any Fortis Patent Right. Notwithstanding the foregoing, if FibroGen determines, in its sole discretion, to not file a patent application requested by Fortis or cease prosecution and maintenance of any Fortis Patent Right(s) that is being prosecuted or maintained by FibroGen, then FibroGen will provide Fortis with written notice of such determination within a period of time reasonably sufficient to allow Fortis to determine, [*] its interest in prosecuting and maintaining such Fortis Patent Right(s) (which notice by FibroGen will be given no later than [*] prior to the final deadline for any application filing, pending action or response that may be due with respect to such Fortis Patent Right(s) with the applicable patent authority). In the event Fortis provides written notice expressing its interest in prosecuting and maintaining such Fortis Patent Right(s), and (i) such Fortis Patent Right(s) shall be excluded in the license granted by Fortis to FibroGen under Section 4.1(a); and (ii) [*], to prepare, file, prosecute and maintain such Fortis Patent Right(s) [*]; provided that if FibroGen makes a decision to not file or continue the prosecution of a Fortis Patent Right based upon a good faith, *bona fide* rationale made for strategic reasons in the best interest of the Fortis Patent Right portfolio [*].

(c)**Cooperation in Prosecution**. Each Party will provide the other Party all reasonable assistance and cooperation in the patent prosecution efforts provided above in this Section 8.4, including providing any necessary powers of attorney and executing any other required documents or instruments for such prosecution, as well as further actions as set forth below, at the cost of the Party requesting such assistance. In the case of inventions that are prosecuted by FibroGen pursuant to Section 8.4(b), such cooperation will include, in response to requests by FibroGen, cooperation in providing Know-How Controlled by Fortis relating to such Patent Rights to the extent necessary for the preparation, filing and maintenance of such Patent Rights.

(i)As used herein, “prosecution” of such Patent Rights will include all communication and other interaction with inside or outside patent counsel, any patent office or patent authority having jurisdiction over a patent application in connection with pre-grant proceedings.

(ii)All communications between the Parties relating to the preparation, filing, prosecution or maintenance of the Patent Rights under this Agreement, including copies of any draft or final documents or any communications received from or sent to outside patent counsel, patent offices or patenting authorities with respect to such Patent Rights, will be considered Confidential Information and subject to the confidentiality provisions of Article 10. In addition, the Parties acknowledge and agree that, with regard to the preparation, filing, prosecution or maintenance of the Patent Rights under this Agreement, the interests of the Parties are aligned and are legal in nature. The Parties further acknowledge and agree that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Patent Rights, including privilege under the common interest doctrine and similar or related doctrines.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(iii) Each Party acknowledges that the other Party does not guarantee the issuance, validity or enforceability of any Patent Rights or any claim resulting from its efforts under this Section 8.4.

8.5. **CREATE Act**. Notwithstanding anything to the contrary in this Article 8, no Party will have the right to make an election under the CREATE Act when exercising its rights under this Article 8 without the prior written consent of the other Party, which will not be unreasonably withheld, conditioned or delayed. With respect to any such permitted election, the Parties will use reasonable efforts to cooperate and coordinate their activities with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in the CREATE Act.

8.6. **Unitary Patent System**. FibroGen will have the first right to opt in or opt out of the EU Unitary Patent System for all Fortis Patent Rights. Without limiting the generality of the foregoing, unless a Party or its Affiliate has expressly opted in to the EU Unitary Patent System with respect to a given Patent Right, the other Party will not initiate any action under the EU Unitary Patent System without such Party's prior written approval, such approval to be granted or withheld in such Party's sole discretion.

8.7. **Infringement of Patents by Third Parties**.

(a) **Notification**. Each Party will promptly notify the other Party in writing of any existing, alleged or threatened (i) infringement of the Fortis Patent Rights or (ii) misappropriation of Fortis Know-How ("Fortis IP Infringement") of which it becomes aware, and will provide all information in such Party's possession or control demonstrating such Fortis IP Infringement.

(b) Infringement of Fortis Patent Rights.

(i) FibroGen will have the first right, but not the obligation, to bring an appropriate suit or other action against any Third Party engaged in any existing, alleged or threatened Fortis IP Infringement (a "Fortis IP Infringement Action"), subject to the terms of this Section 8.7(b).

(ii) FibroGen will notify Fortis of its election to undertake or not to undertake a Fortis IP Infringement Action in accordance with Section 8.7(b)(i) within the earlier of: (x) [*]. In the event FibroGen elects not to or otherwise fails to undertake a Fortis IP Infringement Action within the applicable time period set forth in the immediately preceding sentence, Fortis will have the right, but not the obligation, to undertake a Fortis IP Infringement Action against the Third Party perpetrating the Fortis IP Infringement. If one Party elects to take a Fortis IP Infringement Action in accordance with this Section 8.7(b)(ii) (the "Fortis Patent Enforcing Party"), then it will take such Fortis IP Infringement Action at its expense; provided that the other Party (the "Fortis Patent Non-Enforcing Party") will have the right, prior to commencement of the Fortis IP Infringement Action, to join any such Fortis IP Infringement Action [*]; and provided further, that if FibroGen makes a decision to not undertake a Fortis IP Infringement Action upon a good faith, *bona fide* rationale for strategic reasons in the best interest of the Fortis Patent Right portfolio [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(iii) The Fortis Patent Non-Enforcing Party will provide to the Fortis Patent Enforcing Party reasonable assistance in undertaking any Fortis IP Infringement Action, [*,] including joining such Fortis IP Infringement Action as a party plaintiff if required by Applicable Law to pursue such Fortis IP Infringement Action. The Fortis Patent Enforcing Party will keep the Fortis Patent Non-Enforcing Party regularly informed of the status and progress of its efforts with respect to the applicable Fortis IP Infringement Action, will reasonably consider the Fortis Patent Non-Enforcing Party's comments on any such efforts, and will obtain Fortis Patent Non-Enforcing Party's consent in any important aspects of such Fortis IP Infringement Action, including determination of litigation strategy and filing of important papers to the competent court, which consent will not be unreasonably withheld, delayed or conditioned.

(iv) The Fortis Patent Non-Enforcing Party will be entitled to separate representation by counsel of its own choice and at its own expense, subject to the first sentence of clause (iii) above.

(v) The Fortis Patent Enforcing Party will not settle any Fortis IP Infringement Action without the prior written consent of the Fortis Patent Non-Enforcing Party, which consent will not be unreasonably withheld, delayed or conditioned.

(vi) Subject to the first sentence of clause (iii) above, [*].

(c) **Allocation of Proceeds**. If either Party recovers monetary damages from any Third Party in a suit or action brought under Section 8.7(b), or any royalties or other payments from a license agreement with a Third Party related to any alleged infringement of a Fortis Patent Right, [*].

(d) **Infringement of FibroGen Patent Rights**. As between the Parties, FibroGen will have the sole right and authority to bring a suit or take other action against any Third Party engaged in any existing, alleged or threatened infringement of the FibroGen Background Patent Rights and the FibroGen Other Collaboration Patent Rights on a worldwide basis at its sole discretion and expense.

8.8. **Infringement of Third Party Rights**.

(a) **Notification**. If the manufacture, use, import or sale of any Product or Modified Product becomes the subject of a claim or assertion of infringement of a Third Party's Patent Right or misappropriation of a Third Party's Know-How, then the Party first having notice of the claim or assertion will promptly notify the other Party, the Parties will agree on and enter into an "identity of interest agreement" wherein such Parties agree to their shared, mutual interest in the outcome of such potential dispute, and thereafter, the Parties will promptly meet to consider the claim or assertion and the appropriate course of action.

(b) **Defense**. FibroGen will have the first right, but not the obligation, to defend any such Third Party claim or assertion of infringement or misappropriation of a Patent Right or Know-How as described in Section 8.8(a) above, [*]. If FibroGen does not commence actions to defend such claim within [*] to Fortis as required by Section 8.8(a)), then Fortis will have the right, but not the obligation, to control the defense of such claim by counsel of its choice, [*]. The non-defending Party will, at the defending Party's expense, reasonably cooperate with the Party conducting the defense of the claim or assertion, including if required to conduct such defense, furnishing a power of attorney.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c)**Settlement; Licenses**. Neither Party will enter into any settlement of any claim described in this Section 8.8 that affects the other Party's rights or interests with respect to any Product or Modified Product without such other Party's written consent, which consent will not be unreasonably withheld, delayed or conditioned. Each Party will have the right to decline to defend or to tender defense of any such claim to the other Party upon reasonable notice, including if the other Party fails to agree to a settlement that such Party proposes. In the event that it is determined by any court of competent jurisdiction that the Exploitation of a Product as it exists [*] infringes or misappropriates, or either Party reasonably determines that such activities are likely to infringe or misappropriate, any Patent Right, copyright, trademark, data exclusivity right or Know-How of any Third Party, upon either Party's request, the Parties will use [*] to: (i) procure from such Third Party, [*], a license authorizing the Parties to continue to conduct such activities; or (ii) modify such activities so as to render them non-infringing or non-misappropriating, in each case ((i) and (ii)) subject to the Parties' consent rights with respect to settlements as set forth in the first sentence of this Section 8.8.

8.9.**Patent Oppositions and Other Proceedings**.

(a)**Third-Party Patent Rights**. If either Party desires to bring an opposition, action for declaratory judgment, nullity action, interference, inter partes review, post-grant review, declaration for non-infringement, reexamination or other attack upon the validity, title or enforceability of a Patent Right owned or controlled by a Third Party and having one or more claims that covers or might cover any Product or Modified Product, or the use, sale, offer for sale or importation of any Product or Modified Product (except insofar as such action is a counterclaim to or defense of, or accompanies a defense of, a Third Party's claim or assertion of infringement under Section 8.8, in which case the provisions of Section 8.8 will govern), such Party will so notify the other Party and the Parties will promptly confer to determine whether to bring such action or the manner in which to settle such action. Neither Party will commence any such proceeding without the prior written consent of the other Party. In the event that a Party commences any proceeding pursuant to this Section 8.9(a), the commencing Party will provide the other Party a reasonable opportunity to review and comment on the commencing Party's activities with respect to such proceeding, including by promptly providing the other Party with a copy of all communications from or relating to any patent authority with respect to such proceeding, and by providing drafts of all filings or responses to be made to such patent authorities and instructions relating thereto reasonably [*] to submitting such filings, responses or instructions to give the other Party an opportunity to review and comment. The commencing Party will reasonably consider all reasonable comments from the other Party in good faith regarding such communications and drafts and will comply with any timely reasonable requests by the other Party to the commencing Party with respect to such proceeding.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b)**Parties' Patent Rights**. If any Fortis Patent Right becomes the subject of any proceeding commenced by a Third Party in connection with an inter partes review, post-grant review, opposition, reexamination request, action for declaratory judgment, nullity action, interference or other attack upon the validity, title or enforceability thereof (except insofar as such action is a counterclaim to or defense of, or accompanies a defense of, an action for infringement against a Third Party under Section 8.8, in which case the provisions of Section 8.8 will govern), then the Party responsible for filing, preparing, prosecuting and maintaining such Patent Right as set forth in Section 8.4 hereof, [*]. If such Party decides that it does not wish to defend against such action, then the other Party [*]; provided, that if FibroGen is the Party filing, preparing, prosecuting and maintaining such Patent Right and makes a decision to not defend such action upon a good faith, *bona fide* rationale for strategic reasons in the best interest of the Fortis Patent Right portfolio [*]. The controlling Party will permit the non-controlling Party to participate in the proceeding to the extent permissible under Applicable Law, and to be represented by its own counsel in such proceeding, [*]. Without limiting the foregoing, the controlling Party will provide the non-controlling Party a reasonable opportunity to review and comment on the controlling Party's activities with respect to such proceeding, including by promptly providing the non-controlling Party with a copy of all communications from or relating to any patent authority or court with respect to such proceeding, and by providing drafts of all filings or responses to be made to such patent authorities and instructions relating thereto [*] to submitting such filings, responses or instructions to give the non-controlling Party an opportunity to review and comment. The controlling Party will implement all reasonable comments from the non-controlling Party regarding such communications and drafts and will comply with any timely reasonable requests by the non-controlling Party to the controlling party with respect to such proceeding.

ARTICLE 9 REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1.**Mutual Representations, Warranties and Covenants**. Each of the Parties hereby represents and warrants, as of the Effective Date, and covenants, as applicable, to the other Party that:

(a)**Organization**. As of the Effective Date, it is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver, and perform this Agreement.

(b)**Binding Agreement**. As of the Effective Date, this Agreement is a legal and valid obligation binding upon such Party and enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance, and general principles of equity (whether enforceability is considered a proceeding at law or equity).

(c)**Authorization**. As of the Effective Date, the execution, delivery, and performance of this Agreement by such Party have been duly authorized by all necessary corporate action and do not conflict with any agreement, instrument, or understanding, oral or written, to which it is a party or by which it is bound, nor violate any Applicable Laws or Judgment presently in effect applicable to such Party.

(d)**No Further Approval**. As of the Effective Date, it is not aware of any government authorization, consent, approval, license, exemption of or filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, under any Applicable Laws, currently in effect, necessary for, or in connection with, the transactions contemplated by this Agreement or any other agreement or instrument executed in connection herewith, or for the performance by it of its obligations under this Agreement and such other agreements (except for Regulatory Approvals and similar authorizations from Regulatory Authorities necessary for the Exploitation of the Products as contemplated hereunder).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(e)**No Inconsistent Obligations**. As of the Effective Date, it is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement, or that would impede the diligent and complete fulfillment of its obligations hereunder.

(f)**Non-Contravention Covenant**. During the Term, neither Party nor its Affiliates will grant any right to any Third Party that would conflict with the rights granted to the other Party hereunder.

(g)**Compliance with Applicable Law**. Each Party will perform its obligations and conduct its assigned activities under this Agreement (including under the Study Plan) in compliance with Applicable Law.

9.2.**Additional Representations, Warranties and Covenants of Fortis**. Fortis represents and warrants, [*] except as set forth on Schedule 9.2, and covenants to FibroGen as set forth in Sections 9.2(h), 9.2(r) and 9.2(s), that:

(a)With the exception of Fortis Know-How licensed to Fortis on a non-exclusive basis pursuant to the UCSF License or any other agreement to which Fortis is a party and pursuant to which Fortis is granted any non-exclusive license or other rights ancillary to the provision of services by any Third Party, Fortis is the sole and exclusive owner or exclusive licensee of the Fortis IP existing [*], and [*] all of such Fortis IP is free and clear of any liens, charges and encumbrances (except for non-exclusive licenses or right to use such Fortis IP granted to an academic collaborator or clinical site for research, education and patient care purposes), and, [*], neither any license granted by Fortis or its Affiliates to any Third Party, nor any agreement between any Third Party and Fortis or its Affiliates, conflicts with the licenses or other rights granted to FibroGen hereunder in any material respect and Fortis is entitled to grant all rights and licenses (or sublicenses, as the case may be) it purports to grant to FibroGen under this Agreement. [*] without any obligation to conduct any investigation, no (i) Affiliate of Fortis that is not a Controlled Affiliate or (ii) any portfolio company of an investor of Fortis that is an Affiliate of Fortis, in each case ((i) and (ii)) controls any Patent Rights or Know-How that are necessary to (A) Develop the Products [*] as contemplated under the Study Plan, or (B) to make, use, sell, offer for sale or import the Products as existing [*].

(b)Fortis has disclosed to FibroGen in Schedule 9.2(b) all Fortis Patent Rights existing [*] and such disclosure indicates whether each such Patent Right is owned by Fortis or licensed by Fortis from a Third Party and if so licensed, identifies the licensor or sublicensor from which the Patent Rights is licensed and Fortis has provided FibroGen with a true and complete copy of each such license agreement.

(c)The Fortis Patent Rights existing [*] are subsisting and, [*], are, or upon issuance, will be, valid and enforceable patents, and [*], no Third Party has challenged in writing the extent, validity or enforceability of such Patent Rights (including by way of example through the institution or written threat of institution of interference, nullity or similar invalidity proceedings before the United States Patent and Trademark Office or any analogous foreign Governmental Authority).

(d)[*] no Third Party is infringing or threatening to infringe any of the Fortis Patent Rights or misappropriating or threatening to misappropriate any Fortis Know-How, in each case, [*].

(e)[*], Fortis and its licensors of Fortis Background Patent Rights necessary or useful to Exploit the Products [*] have complied with all Applicable Laws in material respects, including any material disclosure requirements of the United States Patent and Trademark Office under 37 C.F.R. §§1.97-1.98 or any analogous foreign Governmental Authority, in connection with the prosecution and maintenance of the Fortis Patent Rights existing [*] necessary or useful to Exploit the Products as existing as of the Effective Date (but excluding any Fortis Background Patent Rights licensed to Fortis on a non-exclusive basis ancillary to the provision of services by any Third Party), and has timely paid all filing and renewal fees payable with respect to any such Patent Rights for which it controls prosecution and maintenance.

(f)Fortis has obtained assignments from the inventors of all inventorship rights relating to the Fortis Patent Rights owned or purported to be owned by Fortis, and all such assignments of inventorship rights relating to such Patent Rights are valid and enforceable.

(g)Except for the Fortis In-Licenses, there is no agreement that is in effect between Fortis or any of its Controlled Affiliates and any Third Party pursuant to which Fortis or its Controlled Affiliate has acquired Control of any of the Fortis Background IP necessary or useful to Exploit the Products. All Fortis In-Licenses are in full force and effect. Fortis has provided true and complete copies of all such Fortis In-Licenses to FibroGen. [*], neither Fortis nor its Affiliates nor the Third Party licensor in a Fortis In-License is in material breach of, or in default with respect to a material obligation under, such Fortis In-License and neither such party has claimed or [*], has grounds upon which to claim that the other party is in material breach of, or in default with respect to a material obligation under, any Fortis In-License.

(h)[*] Fortis will maintain and not breach, and will cause its Affiliates to maintain and not breach, any Fortis In-License, provided that Fortis shall not be responsible or liable for any breach to the extent caused by any act or omission of FibroGen or any of its Affiliates or Subcontractors. Fortis will promptly notify FibroGen in writing of any material breach by Fortis or its Affiliate or a Third Party of any Fortis In-License, and will promptly notify FibroGen in writing if Fortis or its Affiliate sends or receives a notice of material breach of any Fortis In-License, and in the event of a breach by Fortis or its Affiliate, will permit FibroGen to cure such breach on Fortis's or its Affiliate's behalf upon FibroGen's request. Fortis will not, and will cause its Affiliates not to, amend, modify or terminate any Fortis In-License in a manner that would materially and adversely affect FibroGen's rights hereunder without first obtaining FibroGen's written consent, which consent may be withheld in FibroGen's sole discretion.

(i)Other than the UCSF License, Fortis does not owe and will not owe any royalties or milestone payments to any Person in consideration for any license or right to use any intellectual property owned by such Person; and (ii) Fortis does not receive any amounts, including royalties, from anyone with respect to any Fortis IP.

(j)Fortis and its Affiliates have taken, and have obligated their Subcontractors to take, commercially reasonable measures consistent with industry practices to protect the secrecy, confidentiality and value of all Fortis Know-How that constitutes trade secrets under Applicable Law (including requiring all employees, consultants and independent contractors to execute written agreements requiring all such employees, consultants and independent contractors to maintain the confidentiality of such Fortis Know-How) and, [*], such Fortis Know-How has not been used or disclosed to any Third Party except pursuant to such confidentiality agreements and there has not been a material breach to such confidentiality agreements by any party to such confidentiality agreements.

(k)Other than the Patent Rights licensed to Fortis pursuant to the UCSF License, no Fortis Patent Rights existing as of the Effective Date is subject to any funding agreement with any government or governmental agency.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(l)[*], (i) the making, using, offering for sale, selling or importing of a Product and (ii) the performance of the Development Activities under the Study Plan, in each case ((i) and (ii)), does not infringe or misappropriate any issued Patent Right or Know-How of any Third Party or, if and when issued, any claim within any patent application of any Third Party.

(m)Fortis and its Affiliates have conducted, and their respective Subcontractors and consultants have conducted, all Development of the Products prior to the Effective Date in accordance with Applicable Laws in all material respects. No Clinical Trials or nonclinical studies conducted by or on behalf of Fortis with respect to any Product has been placed on clinical hold, suspended or terminated prior to completion, and [*], no Regulatory Authority has any reasonable grounds for such action.

(n)The Manufacture of the Products by or on behalf of Fortis, including all Existing Inventory, has been conducted in accordance with Applicable Laws, including GMP to the extent applicable, and no Products have been adulterated, or misbranded. Neither Fortis nor any of its Affiliates or Subcontractors has received any written warning letters, untitled letters, FDA Form 483s, written notices of violation, or other written communications or notices from any Regulatory Authorities that allege a failure to comply with Applicable Laws. [*], no Regulatory Authority has commenced, or threatened to initiate, any action against Fortis or any of its Affiliates or Subcontractors that would enjoin or place restrictions on the Products or prevent Fortis from fulfilling its obligations under this Agreement.

(o)Fortis has made available to FibroGen in the Virtual Data Room, all Regulatory Materials, Fortis Know-How and other information in its possession as of the Effective Date regarding or related to the Products.

(p)Fortis has made available to FibroGen in the Virtual Data Room, material adverse information with respect to the safety and efficacy of the Products in Fortis' possession as of the Effective Date.

(q)[*] there are no written judgments or settlements against or owed by Fortis or its Affiliates or, [*], pending or threatened claims or litigation, in either case relating to the Fortis IP.

(r)[*] Fortis will not engage directly or indirectly, in any capacity in connection with this Agreement any Person who (i) has been convicted of a criminal offense related to Applicable Law; (ii) is currently listed by a Regulatory Authority as debarred, excluded or otherwise ineligible for participation in federally or state funded health care programs; or (iii) is currently proposed for debarment, exclusion, or other ineligibility for participation in federally or state funded health care programs.

(s)[*] Fortis and its Affiliates will not, directly, or indirectly, with or through any Third Party, (i) conduct any activities (including any research, development, manufacturing or commercialization activities) with respect to any Products, Modified Products, or any other derivatives of the Products, except with respect to any activities allocated to Fortis in the Study Plan, (ii) assign or transfer or otherwise encumber its rights, or grant a license [*] or option to any Third Party, under Fortis IP, or (iii) in-license or otherwise acquire any rights to intellectual property of a Third Party, in each case ((i)-(iii)), [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

9.3. **Additional Representations, Warranties and Covenants of FibroGen**. FibroGen represents and warrants, as of the Effective Date, and covenants to Fortis, as applicable, that:

(a) During the Term, FibroGen will not engage directly or indirectly, in any capacity in connection with this Agreement any Person who (i) has been convicted of a criminal offense related to Applicable Law; (ii) is currently listed by a Regulatory Authority as debarred, excluded or otherwise ineligible for participation in federally or state funded health care programs; or (iii) is currently proposed for debarment, exclusion, or other ineligibility for participation in federally or state funded health care programs.

9.4. **No Other Representations or Warranties**. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE 9, THE PARTIES MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER UNDER THIS AGREEMENT, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES UNDER THIS AGREEMENT, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTY OF NON-INFRINGEMENT OR AS TO THE VALIDITY OF ANY PATENT RIGHTS.

ARTICLE 10 CONFIDENTIALITY

10.1. **Nondisclosure**. Each Party agrees that, [*] a Party (the "Receiving Party") receiving Confidential Information of the other Party (the "Disclosing Party") will, except with express written consent of the other Party: (a) maintain in confidence such Confidential Information using not less than the efforts such Receiving Party uses to maintain in confidence its own confidential or proprietary information of similar kind and value, (b) not disclose such Confidential Information to any Third Party without the prior written consent of the Disclosing Party, except for disclosures expressly permitted below, and (c) not use such Confidential Information for any purpose except to exercise its rights or perform its obligations under this Agreement (it being understood that this Section 10.1 will not create or imply any rights or licenses not expressly granted under this Agreement). Notwithstanding anything to the contrary in the foregoing, the obligations of confidentiality and non-use with respect to any trade secret within such Confidential Information will survive [*].

10.2. **Exceptions**. The obligations in Section 10.1 will not apply with respect to any portion of the Confidential Information of the Disclosing Party that the Receiving Party can show by competent evidence:

(a) is publicly disclosed by the disclosing Party, either before or after it is disclosed to the receiving Party hereunder;

(b) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by the receiving Party's contemporaneous business records;

(c) is subsequently disclosed to the receiving Party or any of its Affiliates on a non-confidential basis by a Third Party that is not bound by a similar duty of confidentiality or restriction on its use;

(d) is now, or hereafter becomes, through no act or failure to act on the part of the receiving Party or any of its Affiliates, generally known or available, either before or after it is disclosed to the receiving Party; or

(e) is independently discovered or developed by or on behalf of the receiving Party or any of its Affiliates without the use of Confidential Information belonging to the disclosing Party.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

10.3. **Authorized Disclosure**. The Receiving Party may disclose Confidential Information of the Disclosing Party only to the extent such disclosure is reasonably necessary in the following instances:

(a) filing or prosecuting Patent Rights as permitted by this Agreement;

(b) submitting Regulatory Materials and obtaining Regulatory Approvals for a Product as permitted by this Agreement;

(c) prosecuting or defending litigation, including responding to a subpoena in a Third Party litigation;

(d) complying with Applicable Law or a valid order by a court or other Governmental Authority; provided that the receiving Party shall give the disclosing Party prompt written notice of such required disclosure, and shall use commercially reasonable efforts to assist the disclosing Party to seek confidential treatment or to otherwise limit such disclosure, and shall limit the disclosure to only that portion of the Confidential Information required to comply with such Applicable Law or order; or

(e) (i) to its Affiliates or Subcontractors or prospective Subcontractors, directors, officers, employees, consultants, agents and advisors on a "need-to-know" basis in order for the Receiving Party to exercise its rights or fulfill its obligations under this Agreement, (ii) to its equityholders, lenders, insurers or investors existing [*] for the sole purpose of evaluating the Receiving Party's business, but only, in the case of Fortis, to the extent required by contractual agreements between Fortis and its equityholders or investors that exist [*], or (iii) to its potential or new equityholders or investors [*] for the sole purpose of evaluating the Receiving Party's business; provided, however, that, in each of the above situations, the Receiving Party will remain responsible for any failure by any Person who receives Confidential Information pursuant to this Section 10.3(e) to treat such Confidential Information as required under this Article 10, and such Persons, prior to disclosure, must be bound by obligations of confidentiality and restrictions on use of such Confidential Information that are no less restrictive than those set forth in this Article 10.

If and whenever any Confidential Information of the disclosing Party is disclosed in accordance with this Section 10.3, such disclosure will not cause any such information to cease to be Confidential Information of the disclosing Party except to the extent that such disclosure results in a public disclosure of such information (other than by breach of this Agreement). Notwithstanding the foregoing, in the event a Party is required to make a disclosure of the other Party's Confidential Information pursuant to clauses (a) through (d) of this Section 10.3, it will, except where impracticable, give reasonable advance notice to the other Party of such disclosure and use not less than the same efforts to secure confidential treatment of such information as it would to protect its own confidential information from disclosure.

10.4. **Confidential Information of Both Parties**. The Parties acknowledge that (a) this Agreement and all of the respective terms of this Agreement will be treated as Confidential Information of both Parties, (b) the Fortis Background Know-How will be treated as Confidential Information of Fortis, (c) the FibroGen Other Collaboration Know-How will be treated as Confidential Information of FibroGen, and (d) (i) [*] the Collaboration Know-How will be treated as Confidential Information of both Parties, and (ii) [*], the Collaboration Know-How will be treated as Confidential Information of Fortis.

10.5. **Publicity**. On a date mutually agreed by the Parties, the Parties will jointly issue the press release set forth in Schedule 10.5 regarding the signing of this Agreement. Except (a) as set forth in the preceding sentence and (b) as set forth in Section 10.6, neither Party will make any public announcement regarding this Agreement or activities hereunder without the prior written approval of the other Party.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

10.6. **Securities Filings**. Notwithstanding anything to the contrary in this Article 10, in the event either Party believes in good faith that it is required by Applicable Law to file with the Securities and Exchange Commission, the securities regulators of any state or other jurisdiction, or any applicable securities exchange a registration statement or any other disclosure document that describes or refers to the terms and conditions of this Agreement or any related agreements between the Parties, such Party will notify the other Party of its intention to make such filing and will provide the other Party with a copy of relevant portions of the proposed filing [*], including any exhibits thereto that refer to the other Party or the terms and conditions of this Agreement or any related Agreements between the Parties. The Party making such filing will cooperate in good faith with the other Party to obtain confidential treatment of the terms and conditions of this Agreement or any related agreements between the Parties that the other Party requests be kept confidential or otherwise afforded confidential treatment, and will only disclose Confidential Information of the other Party that it is reasonably advised by outside counsel is legally required to be disclosed. No such notice will be required if the description of or reference to this Agreement or a related agreement between the Parties contained in the proposed filing has been included in any previous filing made by either Party in accordance with this Section 10.6 or otherwise approved by the other Party.

10.7. **Relationship to Confidentiality Agreement**. Without limiting Section 14.11, this Agreement supersedes the CDA, and all "Confidential Information" (as defined in the CDA) of a Party or its Affiliates disclosed pursuant to the CDA will be deemed such Party's Confidential Information under this Agreement.

10.8. **Equitable Relief**. Given the nature of the Confidential Information and the competitive damage that could result to a Party upon unauthorized disclosure, use or transfer of its Confidential Information, the Parties agree that monetary damages may not be a sufficient remedy for any breach of this Article 10. In addition to all other remedies, a Party will be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any breach or threatened breach of this Article 10, without any requirement that such Party (a) post a bond or other security as a condition for obtaining any such relief or (b) prove irreparable harm or inadequacy of monetary damages as a remedy.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

10.9. **Return of Confidential Information**. Upon the termination of this Agreement, the Receiving Party will return to the Disclosing Party all Confidential Information of the Disclosing Party in its possession (and all copies and reproductions thereof). In addition, the Receiving Party will use reasonable efforts to destroy: (a) any notes, reports or other documents prepared by the Receiving Party which contain Confidential Information of the Disclosing Party; and (b) any Confidential Information of the Disclosing Party (and all copies and reproductions thereof) which is in electronic form or cannot otherwise be returned to the Disclosing Party. Alternatively, at the election of the Receiving Party, upon such termination, the Receiving Party will destroy all Confidential Information of the Disclosing Party in its possession (and all copies and reproductions thereof) and any notes, reports or other documents prepared by the Receiving Party which contain Confidential Information of the Disclosing Party, and will provide written certification of such destruction to the Disclosing Party. Nothing in this Section 10.9 will require the alteration, modification, deletion or destruction of archival tapes or other electronic back-up media made in the ordinary course of business; provided, however, that the Receiving Party will continue to be bound by its obligations of confidentiality and other obligations under this Article 10 with respect to any Confidential Information contained in such archival tapes or other electronic back-up media. Any requested destruction of Confidential Information will be certified in writing to the Disclosing Party. Notwithstanding the foregoing, (i) the Receiving Party will be permitted to retain as many copies of the Disclosing Party's Confidential Information solely as required by Applicable Law in a secure location for its archival files solely for the purpose of monitoring compliance with applicable confidentiality obligations pursuant to this Agreement and (ii) the Receiving Party may retain the Disclosing Party's Confidential Information and its own notes, reports and other documents solely to the extent reasonably required (x) to comply with Applicable Law and regulatory requirements; (y) to exercise the rights and licenses of the Receiving Party expressly surviving termination of this Agreement; and (z) to perform the obligations of the Receiving Party expressly surviving termination of this Agreement. Notwithstanding the return or destruction of the Disclosing Party's Confidential Information, the Receiving Party will continue to be bound by its obligations of confidentiality and other obligations under this Article 10.

ARTICLE 11 TERM AND TERMINATION

11.1. **Term**. This Agreement will become effective as of the Effective Date and will continue in full force and effect until the earliest to occur of:

(a) [*];

(b) [*]; and

(c) [*];

and such term, the "Term".

11.2. **Termination without Cause by FibroGen**. FibroGen may terminate this Agreement in its entirety without cause [*] notice thereof to Fortis.

11.3. **Termination for Material Breach**.

(a) Either Party (the "Non-Breaching Party") may terminate this Agreement in the event the other Party (the "Breaching Party") has materially breached this Agreement, and such material breach has not been cured within [*] of written notice of such breach by the Breaching Party from the Non-Breaching Party (the "Cure Period").

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) If the Parties reasonably and in good faith disagree as to whether there has been a material breach, either Party may trigger the dispute resolution procedures described in Article 12. Notwithstanding anything to the contrary contained in Section 11.3(a), the Cure Period for any material breach that is subject to a reasonable good faith Dispute [*], and it is understood and acknowledged that, while the resolution of such Dispute is pending, all of the terms and conditions of this Agreement will remain in effect and the Parties will continue to perform all of their respective obligations under this Agreement.

11.4. **Termination for Bankruptcy**.

(a) Either Party may terminate this Agreement upon providing written notice to the other Party on or after the time that such other Party makes a general assignment for the benefit of creditors, files an insolvency petition in bankruptcy, petitions for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its business or any substantial part of its assets, commences under the laws of any jurisdiction any proceeding involving its insolvency, bankruptcy, reorganization, adjustment of debt, dissolution, liquidation or any other similar proceeding for the release of financially distressed debtors, or becomes a party to any proceeding or action of the type described above, and such proceeding or action remains un-dismissed or un-stayed [*].

(b) All rights and licenses granted by Fortis to FibroGen under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of Title 11 of the United States Code and other similar laws in any jurisdiction outside the United States (collectively, the "Bankruptcy Laws"), licenses of rights to "intellectual property" as defined under the Bankruptcy Laws. If a case is commenced by or against a Party under Bankruptcy Laws then, unless and until this Agreement is rejected as provided pursuant to such Bankruptcy Laws, such Party (in any capacity, including debtor-in-possession) and its successors and assigns (including a Title 11 trustee) will perform all of the obligations in this Agreement intended to be performed by such Party. All rights, powers and remedies of the non-bankrupt Party as provided herein are in addition to and not in substitution for any and all other rights, powers and remedies now or hereafter existing at law or in equity (including the Bankruptcy Laws) in the event of the commencement of a case by or against a Party under the Bankruptcy Laws. The Parties acknowledge and agree that the licenses hereunder are fully prepaid and that any payments made hereunder do not (i) constitute royalties within the meaning of Section 365(n) of the United States Bankruptcy Code or any analogous provisions in any other country or jurisdiction or (ii) relate to licenses of intellectual property hereunder.

11.5. **Restrictions upon Termination**. Notwithstanding anything to the contrary in this Agreement, Fortis may not terminate this Agreement for any reason upon FibroGen's exercise of the Option pursuant to the Option and Merger Agreement until this Agreement expires in accordance with Section 11.1.

11.6. **FibroGen Option to Continue In-Lieu of Termination**. If FibroGen has the right to terminate this Agreement under Section 11.3 for Fortis's uncured material breach of its obligations to perform any of the Development Activities allocated to Fortis in accordance with Section 5.2 (for clarity, after FibroGen has provided notice of such material breach in accordance with Section 11.3 and Fortis has failed to cure such material breach during the applicable Cure Period, subject to Section 11.3(b)), FibroGen may, by notice in writing to Fortis, elect to not exercise such right and instead elect to continue this Agreement under this Section 11.6, whereupon this Agreement will continue in full force and effect except as follows:

(a) FibroGen will have the right to elect to perform any or all such Development Activities previously allocated to Fortis under the then-current Study Plan (the "Fortis Development Activities"). If FibroGen elects to perform any such Fortis Development Activities, Fortis will cooperate with FibroGen to transfer all such Fortis Development Activities to FibroGen, or to the extent such transfer is not feasible, will cooperate with FibroGen in the performance of such Fortis Development Activities at FibroGen's reasonable direction.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b)[*].

(c)FibroGen's representatives in the JSC will have [*] decision-making authority in the JSC with respect to such Fortis Development Activities, [*].

(d)[*].

11.7.**Effects of Termination**. If this Agreement expires or is terminated, the following terms will apply to this Agreement:

(a)The licenses granted to FibroGen and Fortis under Section 4.1 will terminate, and Fortis will grant, and hereby grants, to FibroGen a non-exclusive, worldwide, fully-paid up, royalty-free, sublicensable, license under the Fortis IP, solely to the extent necessary to perform any obligations of FibroGen surviving the expiration or termination of this Agreement, including under this Section 11.7.

(b)The Parties will comply with their obligations under Section 10.9 with respect to Confidential Information.

(c)If this Agreement expires or is terminated [*] prior to the occurrence of the Closing (as defined under the Option and Merger Agreement) of the Merger, then FibroGen will grant, and hereby grants, to Fortis a non-exclusive, worldwide, fully-paid up, royalty-free, sublicensable (through multiple tiers), transferrable, irrevocable, perpetual license under the FibroGen Other Collaboration IP necessary to Exploit any Product or any Modified Product, solely to Exploit any Product or Modified Product.

(d)[*].

(e)Except if [*], FibroGen will, [*], (i) promptly wind down its remaining Development Activities under the Study Plan [*], or, (ii) upon Fortis's request within [*], transfer the remaining Development Activities allocated to FibroGen under the Study Plan to Fortis, which transfer will include, upon Fortis's request, a technology transfer of any Collaboration IP developed by or on behalf of FibroGen; provided that in the event that a FibroGen Clinical Study has already been initiated and is ongoing as of the effective date of termination ("Ongoing Clinical Study"), (A) FibroGen's wind down obligations under clause [*]. FibroGen will notify Fortis of the [*] within [*] which notice will be accompanied by reasonable supporting details. [*]. For clarity, [*].

(f)Except if [*], if FibroGen has initiated any Fortis IP Infringement Action in accordance with Section 8.7(b) or any defense of any action in accordance with Section 8.9(b), and such Fortis IP Infringement Action or defense action is ongoing at the effective date of termination of this Agreement, then the Parties shall agree in good faith on a transfer plan for FibroGen to transfer all control of such Fortis IP Infringement Action or defense action to Fortis, at FibroGen's sole cost, and FibroGen will continue to pay for all costs and expenses set forth in such transfer plan that are reasonably incurred in connection with such Fortis IP Infringement Action or defense action, including attorneys' fees, [*].

(g)Except if [*], [*].

(h)Except if [*], FibroGen will provide all Collaboration Data (including all data generated in connection with any and all FibroGen Clinical Studies) in FibroGen's possession that it has not already provided to Fortis [*].

(i)Except if [*], FibroGen will, upon Fortis's request, transfer to Fortis all inventory of Products, and all documentation relating to the Manufacture (including documentation relating to the quality and warranty) for such Products, that are in its possession, within a reasonable time following the effective date of termination; provided that (A) all Products transferred to Fortis for the conduct of any Ongoing Clinical Study in accordance with the then-effective protocol therefor [*]; and (B) with respect to any remaining inventory of Products transferred to Fortis, (1) such inventory shall be transferred to Fortis at no cost to Fortis if this Agreement is terminated by Fortis pursuant to Section 11.3, and (2) [*].

(j)FibroGen will, [*], transfer to Fortis all copies of Regulatory Materials (including drafts or portions thereof) relating to the Products or Modified Products.

(k)FibroGen will, [*], transfer to Fortis all necessary files related to the prosecution of Fortis Patent Rights in FibroGen's possession and shall take all actions and execute all documents reasonably necessary for Fortis to assume the prosecution of such Fortis Patent Rights.

11.8.**Consequences of Consummation of the Merger**. Notwithstanding anything to the contrary in this Agreement, in the event the Merger is consummated in accordance with the terms of the Option and Merger Agreement, then this Agreement will terminate [*].

11.9.**Remedies**. Notwithstanding anything to the contrary in this Agreement, except as otherwise set forth in this Agreement, termination of this Agreement will not relieve the Parties of any liability or obligation which accrued hereunder [*], nor prejudice either Party's right to obtain performance of any obligation which accrued hereunder [*]. Each Party will be free, pursuant to Article 12, to seek, without restriction as to the number of times it may seek, damages, costs and remedies that may be available to it under Applicable Law or in equity.

11.10.**Survival**. Section 7.1 (solely as set forth in Section 11.7(g)), Section 7.4, Section 8.1, Section 8.2(a) to (c), Section 8.3(a) and (b), Section 8.4(a), Section 9.4, Article 10, Section 11.7, Section 11.9, Section 11.10, Article 12, Article 13 and Article 14, and any applicable definitions of any capitalized terms set forth in Article 1, will survive termination or expiration of this Agreement for any reason.

ARTICLE 12 DISPUTE RESOLUTION

12.1.**Disputes**.

(a)**Objective**. The Parties recognize that disputes, controversies or claims arising out of or relating to this Agreement, or the interpretation, breach, termination or invalidity hereof or thereof (each a "Dispute" and collectively, "Disputes"), may from time to time occur during the Term. It is the objective of the Parties to establish procedures to facilitate the resolution of Disputes occurring with respect to this Agreement in an expedient manner by mutual cooperation and without resorting to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Article 12 if and when a Dispute occurs with respect to this Agreement. Notwithstanding the foregoing or anything to the contrary in this Agreement, with respect to any matter under this Agreement, if this Agreement expressly provides that such matter is subject to a Party's sole discretion or to a Party's sole or final decision-making authority (pursuant to Section 3.2(d) or otherwise), such matter will not be subject to dispute resolution under this Article 12, but may be finally determined by such Party in accordance with the terms of this Agreement.

(b)**Escalation**. With respect to any Dispute under this Agreement, other than any Dispute relating to the scope, validity or enforceability of a Fortis Patent Right (which may only be determined in accordance with Section 12.2 hereof), either Party (the "Complaining Party") may present such Dispute for resolution [*] (collectively, the "Executive Officers") by providing a dispute notice (the "Dispute Notice") to Executive Officers and the other Party. The Dispute Notice will concisely set forth the Dispute, the Parties' respective positions, and the specific relief requested. Within [*], the Party receiving the Dispute Notice will provide a concise written response (the "Response") to such Dispute Notice to Executive Officers and the Complaining Party. Executive Officers will attempt to resolve such Dispute [*] by Executive Officers of the Response. If the Executive Officers cannot resolve a Dispute within [*], then the Parties will be entitled to exercise any right or remedy available to it either at law or in equity; provided that any suit, action or other proceeding arising out of this Agreement will be brought exclusively in a court of competent jurisdiction, federal or state, located in the [*], and in no other jurisdiction. Each Party hereby consents to personal jurisdiction and venue in, and agrees to service of process issued or authorized by, such court.

12.2.**Determination of Disputes Relating to Patents**. Notwithstanding anything in this Agreement to the contrary, any and all issues regarding the scope, construction, validity, and enforceability of any Patent Rights or trademark relating to the Products that are the subject of this Agreement will be determined in a court or other tribunal, as the case may be, of competent jurisdiction under the applicable patent or trademark laws of the country in which such Patent Rights or trademark rights were granted or arose.

12.3.[*].

12.4.**Equitable Relief.** Notwithstanding anything in this Agreement to the contrary, a Party may at any time seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction in order to prevent immediate and irreparable injury, loss, or damage on a provisional basis, pending the resolution efforts of the Executive Officers or an arbitrator on the ultimate merits of any Dispute.

12.5.**Confidentiality**. Any activities related to escalation of Disputes to Executive Officers under Section 12.1, including any and all proceedings and decisions under Section 12.1(b) will be deemed Confidential Information of each of the Parties, and will be subject to Article 10.

ARTICLE 13 INDEMNIFICATION

13.1.**Indemnification by FibroGen**. FibroGen hereby agrees to defend, indemnify and hold harmless Fortis and its Controlled Affiliates and each of their respective directors, officers, employees, agents and representatives (each, a "Fortis Indemnitee") from and against any and all claims, suits, actions, demands, liabilities, expenses or loss, including reasonable legal expense and attorneys' fees (collectively, the "Losses"), to which any Fortis Indemnitee may become subject as a result of any claim, demand, action or other proceeding by any Third Party (each, a "Claim") to the extent such Losses arise directly or indirectly out of: [*]; except, with respect to each of subsections (i) through (iv) above, to the extent such Losses (x) arise [*] of the applicable Fortis Indemnitee or (y) are subject to an obligation by Fortis to indemnify the FibroGen Indemnitees under Section 13.2, as to which Losses (under this clause (y)) the provisions of Section 13.3 will apply.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

13.2. **Indemnification by Fortis**. Fortis hereby agrees to defend, indemnify and hold harmless FibroGen and its Affiliates and each of their respective directors, officers, employees, agents and representatives (each, a "FibroGen Indemnitee") from and against any and all Losses to which any FibroGen Indemnitee may become subject as a result of any Claim to the extent such Losses arise directly or indirectly out of: [*]; except, with respect to each of subsections (i) through (iv) above, to the extent such Losses (x) arise [*] of the applicable FibroGen Indemnitee or (y) are subject to an obligation by FibroGen to indemnify the Fortis Indemnitees under Section 13.1, as to which Losses (under this clause (y)) the provisions of Section 13.3 will apply.

13.3. **Allocation**. [*].

13.4. **Indemnification Procedures**.

(a) **Notice**. Promptly after a Fortis Indemnitee or an FibroGen Indemnitee (each, an "Indemnitee") receives notice of a pending or threatened Claim that is subject to an indemnification obligation under Section 13.1 or 13.2, as applicable, such Indemnitee will give written notice of the Claim to the Party from whom the Indemnitee is entitled to receive indemnification (the "Indemnifying Party"). However, an Indemnitee's delay in providing or failure to provide such notice will not relieve the Indemnifying Party of its indemnification obligations, except to the extent it can demonstrate actual prejudice due to the delay or lack of notice.

(b) **Defense**. Upon receipt of notice under Section 13.4(a) from the Indemnitee, the Indemnifying Party will have the duty to either compromise (subject to Section 13.4(d)) or defend, at its own expense and by counsel of its choosing (reasonably satisfactory to Indemnitee), such Claim. The Indemnifying Party will promptly [*] notify the Indemnitee in writing that it acknowledges its obligation to indemnify the Indemnitee with respect to the Claim and of its intention either to compromise or defend such Claim. Once the Indemnifying Party gives such notice to the Indemnitee, [*]. However, the Indemnitee will have the right to employ separate counsel and to participate in the defense of a Claim at its own expense.

(c) **Cooperation**. The Indemnitee will cooperate fully with the Indemnifying Party and its legal representatives in the investigation and defense of any Claim. The Indemnifying Party will keep the Indemnitee informed on a reasonable and timely basis as to the status of such Claim (to the extent the Indemnitee is not participating in the defense of such Claim) and conduct the defense of such Claim in a prudent manner.

(d) **Settlement**. If an Indemnifying Party assumes the defense of a Claim, no compromise or settlement of such Claim may be effected by the Indemnifying Party without the Indemnitee's written consent (which consent will not be unreasonably withheld or delayed), unless: (i) there is no finding or admission of any violation of law or any violation of the rights of any Person and no effect on any other claims that may be made against the Indemnitee; (ii) the [*] relief provided is monetary damages that are paid in full by the Indemnifying Party; and (iii) the Indemnitee's rights under this Agreement are not adversely affected. If the Indemnifying Party fails to assume defense of a Claim [*], the Indemnitee may settle such Claim on such terms as it deems appropriate with the consent of the Indemnifying Party (which consent will not be unreasonably withheld), and the Indemnifying Party will be obligated to indemnify the Indemnitee for such settlement as provided in this Article 13.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

13.5. **Insurance**. Each Party will insure its activities in connection with any work performed under this Agreement and will obtain, keep in force, and maintain the following insurance (provided that a Party may procure and maintain, during the Term, an Umbrella Liability Insurance Policy to meet the policy limit requirements of the required policies if a Party's underlying policy limits are less than required):

(a) From the Effective Date through [*]:

(i) Commercial General Liability Each Occurrence: [*]

(ii) Personal and Advertising Injury: [*]

(iii) General Aggregate (commercial form only): [*]

If the above insurance is written on a claims-made form, it will continue for [*]. The insurance will have a retroactive date of placement prior to or coinciding with the Effective Date of this Agreement; and

(b) Worker's Compensation as legally required in the jurisdiction in which a Party is doing business.

13.6. **Limitation of Liability**.

(a) EXCEPT FOR A PARTY'S OBLIGATIONS SET FORTH IN THIS ARTICLE 13 (INDEMNIFICATION), THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A PARTY, OR ANY BREACH OF ARTICLE 10 (CONFIDENTIALITY), IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY (OR THE OTHER PARTY'S AFFILIATES OR SUBLICENSEES) IN CONNECTION WITH THIS AGREEMENT FOR LOST REVENUE, LOST PROFITS, LOST SAVINGS, LOSS OF USE, DAMAGE TO GOODWILL, OR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR INDIRECT DAMAGES UNDER ANY THEORY, INCLUDING CONTRACT, NEGLIGENCE, OR STRICT LIABILITY, EVEN IF THAT PARTY HAS BEEN PLACED ON NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR EACH PARTY'S OBLIGATIONS SET FORTH IN SECTION 13.1 OR SECTION 13.2 (INDEMNIFICATION), [*] OF EACH PARTY, OR EACH PARTY'S BREACH OF ARTICLE 10 (CONFIDENTIALITY), [*]. THE LIMITATIONS SET FORTH IN THIS AGREEMENT SHALL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY STATED IN THIS AGREEMENT.

(b) Neither Party will be required to pay the other Party any damages or indemnify any Indemnitee under this Agreement with respect to any facts or circumstances to the extent that such Party (or, in the case of Fortis, the Sellers (as defined in the Option and Merger Agreement)) pays the other Party damages or indemnifies such Indemnitee under the Option and Merger Agreement with respect to such facts or circumstances.

13.7. **UCSF License**. To the extent that the indemnification procedures and insurance coverage requirements in this Article 13 are inconsistent with or conflict with the indemnification procedures and insurance coverage requirements required by the UCSF License, then the indemnification procedures and insurance coverage requirements required by the UCSF License will control, solely to the extent applicable to, and within the scope of, the UCSF License.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

ARTICLE 14 MISCELLANEOUS

14.1. **Notices.** All notices, requests, claims, demands, waivers and other communications under this Agreement will be in writing and will be sent by courier services, personal delivery [*] to the following addresses, or to such other addresses as will be designated from time to time by a Party in accordance with this Section 14.1:

if to FibroGen:

[*]

with a copy to:

[*]

[*]

if to Fortis:

[*]
with a copy to:

[*]

All notices and communications under this Agreement will be deemed to have been duly given (a) when delivered by hand, if personally delivered, (b) upon receipt when delivered by a courier (such date of receipt being evidenced by the courier's service records) or (c) upon return acknowledgment by email, if delivered by email.

14.2. **Designation of Affiliates**. FibroGen may discharge any obligations and exercise any rights hereunder through delegation of its obligations or rights to any of its Affiliates. Any breach by FibroGen's Affiliate of any of FibroGen's obligations under this Agreement will be deemed a breach by FibroGen, and Fortis may proceed directly against FibroGen without any obligation to first proceed against FibroGen's Affiliate. In addition, Fortis may discharge any obligations and exercise any rights hereunder through delegation of its obligations or rights to any of its Controlled Affiliates, but may not discharge any of its obligations and exercise any rights hereunder through delegation of its obligations or rights to any of its Affiliates that are not Controlled Affiliates. Any breach by Fortis's Controlled Affiliate of any of Fortis's obligations under this Agreement will be deemed a breach by Fortis, and FibroGen may proceed directly against Fortis without any obligation to first proceed against Fortis's Affiliate.

14.3. **Force Majeure**. Both Parties will be excused from the performance of their obligations under this Agreement to the extent that such performance is prevented by a Force Majeure Event and the nonperforming Party promptly provides notice of the prevention to the other Party. Such excuse will be continued so long as the Force Majeure Event continues and the nonperforming Party takes reasonable efforts to remove the condition. Notwithstanding the foregoing, a Party will not be excused from making payments owed hereunder because of a Force Majeure Event affecting such Party. If a Force Majeure Event persists for more than [*], then the Parties will discuss in good faith the modification of the Parties' obligations under this Agreement in order to mitigate the delays caused by such Force Majeure Event.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

14.4. **Assignment**. Subject to Section 14.2, neither this Agreement nor any of the rights, interests or obligations hereunder will be assigned, in whole or in part, by operation of law or otherwise by either Party without the prior written consent of the other Party, except that (a) [*], FibroGen may assign, without the prior written consent of Fortis, any or all of its rights, interests and obligations under this Agreement to (i) any Affiliate of FibroGen, or (ii) in connection with a permitted assignment of the Option and Merger Agreement, and (b) following the Term, either Party may assign, without the prior written consent of the other Party, any or all of its rights, interests and obligations under this Agreement to (i) any Affiliate of such assigning Party, or (ii) in connection with the sale of all or substantially all of the assets of such assigning Party. Any assignment in violation of the preceding sentence will be void. Subject to the foregoing, this Agreement will be binding upon, inure to the benefit of and be enforceable by, the Parties and their respective successors and assigns.

14.5. **Amendment**. No amendment, modification or supplement of any provision of this Agreement will be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

14.6. **Waiver.** No failure or delay on the part of any Party in exercising any right, power or remedy hereunder will operate as a waiver thereof. No provision of this Agreement will be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party. The waiver by either of the Parties of any breach of any provision hereof by the other Party will not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

14.7. **Remedies Cumulative**. Except as expressly provided otherwise herein, the remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to any Party at law, in equity or otherwise.

14.8. **Further Assurance**. Each Party will duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary or as the other Party may reasonably request to carry out more effectively the provisions and purposes hereof.

14.9. **Relationship of the Parties**. It is expressly agreed that Fortis, on the one hand, and FibroGen, on the other hand, will be independent contractors and that the relationship between the two Parties will not constitute a partnership, joint venture or agency. Neither Fortis nor FibroGen will have the authority to make any statements, representations or commitments of any kind, or to take any other action, which will be binding on the other, without the prior written consent of the other Party to do so. All persons employed by a Party will be employees of that Party and not of the other Party and all costs and obligations incurred by reason of such employment will be for the account and expense of such Party.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

14.10.**Construction**. Except where expressly stated otherwise in this Agreement, the following rules of interpretation apply to this Agreement: (a) "or" has the inclusive meaning represented by the phrase "and/or"; (b) "include", "includes" and "including" are not limiting; (c) "hereof", "hereto", "hereby", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if"; (e) definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms; (f) references to an agreement or instrument mean such agreement or instrument as from time to time amended, modified or supplemented; (g) references to a Person are also to its permitted successors and assigns; (h) references to an "Article", "Section", "Subsection", "Exhibit" or "Schedule" refer to an Article of, a Section or Subsection of, or an Exhibit or Schedule to, this Agreement; (i) words importing the masculine gender include the feminine or neuter and, in each case, vice versa; (j) "day" or "days" refers to calendar days; (k) the word "shall" will be construed to have the same meaning and effect as the word "will"; and (l) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, whether such amendment or modification is made, or issuance of such rules or regulations occurs, before or, only with respect to events or developments occurring or actions taken or conditions existing after the date of such amendment, modification or issuance, after the date of this Agreement, but only to the extent such amendment or modification, to the extent it occurs after the date hereof, does not have a retroactive effect. The language of this Agreement will be deemed to be the language mutually chosen by the Parties and no rule of strict construction will be applied against either Party hereto. Each Party represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption will apply against the Party which drafted such terms and provision.

14.11.**Entire Agreement**. This Agreement and the Option and Merger Agreement, together with their schedules and exhibits and all ancillary agreements, documents or instruments to be delivered in connection herewith and therewith, contain the entire agreement and understanding between the Parties with respect to the subject matter hereof and thereof and supersede all prior discussions, negotiations, commitments, agreements and understandings, both written and oral, relating to such subject matter.

14.12.**No Third Party Beneficiaries**. Except for the indemnification rights of FibroGen Indemnitees and Fortis Indemnitees under Article 13, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing herein expressed or implied will give or be construed to give to any Third Party any legal or equitable rights hereunder.

14.13.**Counterparts**. This Agreement may be executed in any number of counterparts and by the Parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same agreement. This Agreement may be executed by facsimile, .pdf or other electronically transmitted signatures and such signatures will be deemed to bind each Party hereto as if they were the original signatures.

14.14.**Governing Laws**. This Agreement will be governed by, and construed in accordance with, the substantive laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

14.15.**Severability**. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. The Parties will use all reasonable efforts to replace such invalid or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the greatest extent possible, the economic, business and other purposes of such invalid or unenforceable provision.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

14.16.**Headings**. The headings of each Article and Section in this Agreement have been inserted for convenience of reference only and will be of no force or effect in construing or interpreting any of the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the Effective Date.

FIBROGEN, INC.

By: /s/ [*]

Name: [*]

Title: [*]

FORTIS Therapeutics, INC.

By: /s/ [*]

Name: [*]

Title: [*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Exhibit A Initial Study Plan

[*]

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Schedule 1.12: CD46 Agent

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Schedule 1.65: FOR46

[*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Schedule 1.75: Fortis In-Licenses

[*]

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Schedule 1.117: PET46

[*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Schedule 1.147: YS5 (YS5FL)

[*]

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Schedule 5.5: Fortis Existing Subcontractors

[*]

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Schedule 9.2: Disclosure Schedule

[*]

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Schedule 9.2(b): Fortis Patent Rights

[*]

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Schedule 9.2(g)

[*]

Schedule 9.2(l)

[*]

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Schedule 10.5: Press Release

FibroGen Enters into Exclusive License for FOR46 with Fortis Therapeutics

- *FOR46, an ADC targeting CD46, is in Phase 1 development with potential applications in mCRPC and other CD46-expressing cancers*
- *Collaboration expands FibroGen's clinical pipeline with potential first-in-class product candidate*

SAN FRANCISCO, CA and LA JOLLA, CA May 8, 2023 (GLOBE NEWSWIRE) – FibroGen, Inc. (Nasdaq: FGEN) and Fortis Therapeutics announced that FibroGen has entered into an exclusive license with Fortis Therapeutics for FOR46, a potential first-in-class Phase 1 antibody-drug conjugate (ADC) targeting a novel epitope on CD46. FOR46 is being developed for the treatment of metastatic castration-resistant prostate cancer (mCRPC) and is being explored for use in other CD46 expressing cancers. As part of the clinical development strategy, FibroGen will continue Fortis Therapeutics' work to develop a PET-based biomarker utilizing a radiolabeled version of the targeting antibody (PET46) for patient selection.

"The agreement with Fortis Therapeutics bolsters FibroGen's clinical pipeline in a capital-efficient manner, providing a product candidate with the potential to address a significant unmet medical need in oncology," said Enrique Conterno, Chief Executive Officer, FibroGen. "FOR46 is a natural fit with our R&D capabilities and expertise. The flexibility of the agreement gives us the opportunity to clinically develop FOR46, and ultimately acquire it as a Phase 3-ready asset, potentially delivering a therapy that may transform the treatment of patients with mCRPC and other CD46 expressing cancers."

"We are pleased to partner with the team at FibroGen, who are experienced in advancing novel drug candidates in the clinic for life-threatening diseases," said Jay Lichter, Ph.D., President and CEO of Fortis and Managing Partner of Avalon Bioventures. "We believe that FOR46 is a novel and unique antibody drug conjugate therapy that could help patients with prostate cancer and other cancers, where currently approved treatments have failed."

Under the terms of the agreement, there is no upfront consideration. FibroGen will conduct and fund future research, development, and manufacturing of FOR46 and PET46. During the four-year evaluation period, FibroGen has the option to acquire Fortis Therapeutics for $80 million. In addition, Fortis is eligible to receive up to a total of $200 million based on various regulatory approvals.

About FOR46
FOR46 is an antibody drug conjugate that binds a specific conformational epitope of CD46 that is highly expressed in various cancer types, including multiple myeloma and prostate and colorectal tumors, with limited reactivity against normal tissues. FOR46 is a fully human antibody conjugated to MMAE, a potent cytotoxic payload utilized in a variety of approved ADCs. Early clinical data show FOR46 to be generally well tolerated with demonstrated monotherapy activity in multiple myeloma and mCRPC.

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About FibroGen
FibroGen, Inc. is a biopharmaceutical company committed to discovering, developing, and commercializing a pipeline of first-in-class therapeutics. The Company applies its pioneering expertise in connective tissue growth factor (CTGF) biology and hypoxia-inducible factor (HIF) to advance innovative medicines for the treatment of unmet needs. Pamrevlumab, an anti-CTGF human monoclonal antibody, is in clinical development for the treatment of idiopathic pulmonary fibrosis (IPF), locally advanced unresectable pancreatic cancer (LAPC), metastatic pancreatic cancer, and Duchenne muscular dystrophy (DMD). Roxadustat (□□□®, EVRENZO™) is currently approved in China, Europe, Japan, and numerous other countries for the treatment of anemia in CKD patients on dialysis and not on dialysis. Roxadustat is in clinical development for anemia of chronic kidney disease (CKD) and anemia associated with myelodysplastic syndromes (MDS), and for chemotherapy-induced anemia (CIA). FibroGen recently expanded its research and development portfolio to include product candidates in the immuno-oncology space. For more information, please visit www.fibrogen.com.

About Fortis Therapeutics
Fortis Therapeutics is an immuno-oncology biotech developing a novel antibody-drug conjugate for late-stage multiple myeloma and metastatic castration-resistant prostate cancer. Fortis was founded based on technology exclusively licensed from UCSF and developed in the laboratory of Bin Liu, Ph.D. Fortis is located in Avalon Bioventures's Community of Innovation, in San Diego. FOR46 is Fortis' sole pharmaceutical asset. For more information, please visit www.fortistx.com.

Forward-Looking Statements
This release contains forward-looking statements regarding FibroGen's strategy, future plans and prospects, and the timing of potential events, including statements regarding the development and commercialization of the company's product candidates, the potential safety and efficacy profile of its product candidates, and timelines for our clinical programs. These forward-looking statements include, but are not limited to, statements about FibroGen's plans and objectives and typically are identified by use of terms such as "may," "will", "should," "on track," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" and similar words, although some forward-looking statements are expressed differently. FibroGen's actual results may differ materially from those indicated in these forward-looking statements due to risks and uncertainties related to the continued progress and timing of its various programs, including the enrollment and results from ongoing and potential future clinical trials, and other matters that are described in FibroGen's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the Securities and Exchange Commission (SEC) on February 27, 2023, including the risk factors set forth therein. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and FibroGen undertakes no obligation to update any forward-looking statement in this press release, except as required by law.

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Fortis Therapeutics
Media:
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[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

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Execution Version

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Exhibit 10.7

OPTION AGREEMENT AND PLAN OF MERGER
BY AND AMONG
FIBROGEN, INC.,
FORTIS THERAPEUTICS, INC.
AND
SHAREHOLDER REPRESENTATIVE SERVICES LLC, AS SELLERS' REPRESENTATIVE
DATED AS OF MAY 5, 2023

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OPTION AGREEMENT AND PLAN OF MERGER

This Option Agreement and Plan of Merger (this "*Option Agreement*") dated as of May 5, 2023, by and among FibroGen, Inc., a Delaware corporation ("*FibroGen*"), Fortis Therapeutics, Inc., a Delaware corporation ("*Fortis*"), and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as the Sellers' Representative.

RECITALS

WHEREAS, the board of directors of FibroGen and Fortis have each (i) determined that the merger of Merger Sub with and into Fortis (the "*Merger*") on the terms and subject to the conditions set forth in this Option Agreement are advisable and in the best interest of their respective stockholders to consummate and (ii) approved the Merger on the terms and subject to the conditions set forth in this Option Agreement.

WHEREAS, in consideration for Fortis granting to FibroGen the exclusive option (the "*Option*") to consummate the Merger pursuant to the terms of this Option Agreement, FibroGen shall pay to Fortis the Option Premium, in accordance with the terms and conditions of this Option Agreement.

WHEREAS, the Merger and this Option Agreement have been submitted to a vote (or written consent) of the stockholders of Fortis and approved by the stockholders of Fortis.

WHEREAS, the consummation of the Merger is subject to FibroGen's exercise, in its sole discretion, of the Option in accordance with the terms of this Option Agreement.

WHEREAS, concurrently with the execution and delivery of this Agreement, (i) all of the Fortis Shareholders have executed and delivered to Fortis the Written Consent and (ii) all of the Fortis Equityholders have executed and delivered a Joinder.

WHEREAS, concurrently with the execution and delivery of this Agreement, certain Fortis Equityholders have executed and delivered to FibroGen the Restrictive Covenants Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the Parties agree as follows:

ARTICLE 1
DEFINED TERMS

The capitalized terms set forth in this Article 1 shall have the meanings set forth herein.

Section 1.1. "*280G Payments*" is defined in Section 7.11.

Section 1.2. "*280G Stockholder Approval*" is defined in Section 7.11.

Section 1.3. "*280G Stockholder Vote*" is defined in Section 7.11.

Section 1.4. "*Action*" means any claim, action, cause of action or suit (whether in contract or tort or otherwise), litigation (whether at law or in equity, whether civil or criminal), arbitration, investigation, hearing, charge, complaint, or proceeding to, from, by or before any Governmental Entity.

Section 1.5. "*Adjusted Closing Statement*" is defined in Section 2.15(b).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 1.6. "*Affiliate*" means, with respect to a Person, another Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person; *provided* that for purposes of this definition, "control" means, with respect to a Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of more than fifty percent (50%) voting securities of such Person, by Contract, by board of director membership or representation, or otherwise. Subject to the foregoing, a Person shall only be deemed an Affiliate of a Party under this Agreement solely for the period it qualifies as an Affiliate under this definition. For purposes hereof, with respect to any investor in Fortis that is an Affiliate of Fortis, the portfolio companies of that investor shall not be deemed to be an Affiliate of Fortis solely by virtue of the fact that Fortis and such other portfolio companies are deemed to be under the common control of such investor.

Section 1.7. "*Affordable Care Act*" is defined in Section 5.18(f).

Section 1.8. "*Aggregate Closing Merger Consideration Adjustment Amount*" means the Final Closing Payment *minus* the Estimated Closing Payment.

Section 1.9. "*Ancillary Agreements*" means the Evaluation Agreement, the Joinders, the Restrictive Covenants Agreements, the Letters of Transmittal, the Fortis Compliance Certificate and all other agreements and certificates entered into by Fortis, FibroGen or the Sellers in connection with the Closing and the transactions contemplated herein.

Section 1.10. "*Applicable Regulatory Entity*" is defined in Section 2.13(b).

Section 1.11. "*Audit Opinion*" is defined in Section 3.1(e).

Section 1.12. "*Auditor*" is defined in Section 2.15(d).

Section 1.13. "*Basket*" is defined in Section 9.4(a).

Section 1.14. "*Benefit Plan*" is defined in Section 5.18(a).

Section 1.15. "*Business*" means the businesses conducted by Fortis as of the date hereof.

Section 1.16. "*Business Day*" means a day other than Saturday, Sunday or any other day on which commercial banks located in the State of New York or California, U.S. are authorized or obligated by applicable Laws to close.

Section 1.17. "*Capitalization Table*" is defined in Section 5.4(e).

Section 1.18. "*Capital Stock*" means any capital stock or share capital of, other voting securities of, other equity interest in, or right to receive profits, losses or distributions of, any Person.

Section 1.19. "*CARES Act*" means the Coronavirus Aid, Relief, and Economic Security Act of 2020, P.L. 116-136, the Consolidated Appropriations Act, 2021, the Health and Economic Recovery Omnibus Emergency Solutions Act, and any similar or successor Law, in each case, including any regulations promulgated thereunder including any presidential memoranda or executive orders or memoranda, relating to COVID-19, as well as any applicable guidance (including, without limitation, IRS Notices 2020-65 and 2021-11, 2020-38 IRB, the Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing Covid-19 Disaster, dated August 8, 2020) issued thereunder or relating thereto, and any subsequent Law relating to COVID-19, including the Health, Economic Assistance, Liability, and Schools Act.

Section 1.20. "*Cash Amount*" means [*] by FibroGen to Fortis pursuant to the Evaluation Agreement. For the avoidance of doubt, the Cash Amount shall not be less than [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 1.21. "*CD46 Agent*" has the meaning set forth in the Evaluation Agreement.

Section 1.22. "*CERCLA*" means the Federal Comprehensive, Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), as amended, and the rules and regulations promulgated thereunder, and any foreign and state Law counterparts.

Section 1.23. "*Certificate*" is defined in Section 2.8(d).

Section 1.24. "*Certificate of Merger*" is defined in Section 2.4(c).

Section 1.25. "*CGCL*" means the General Corporation Law of the State of California.

Section 1.26. "*Change of Control Payments*" means, in each case, [*].

Section 1.27. "*Charter*" means Fortis' Amended and Restated Certificate of Incorporation, as amended, in effect immediately prior to the Effective Time.

Section 1.28. "*Claim Dispute Notice*" is defined in Section 9.5(b).

Section 1.29. "*Clinical Trial*" has the meaning set forth in the Evaluation Agreement.

Section 1.30. "*Closing*" is defined in Section 2.3.

Section 1.31. "*Closing Balance Sheet*" means the balance sheet of Fortis as of 12:01 a.m. Pacific Time on the Closing Date, prepared in accordance with GAAP, and, to the extent in conformance with GAAP, applied in a manner consistent with the principles, practices, procedures, policies and methods used by Fortis in the preparation of the Latest Balance Sheet.

Section 1.32. "*Closing Cash Amount*" means the Cash Amount as finally determined pursuant to Section 2.15.

Section 1.33. "*Closing Date*" means the date on which the Closing occurs.

Section 1.34. "*Closing Indebtedness*" means all Indebtedness of Fortis (and all accrued interest thereon and any premium, penalties or fees due as a result of any prepayment thereof) to the extent outstanding as of immediately prior to the Closing (but which, for the avoidance of doubt, shall include Closing Payroll Taxes).

Section 1.35. "*Closing Liability Amount*" means, without duplication, the sum of (i) the Closing Indebtedness, (ii) all Deal Fees, (iii) all Change of Control Payments and (iv) all Transfer Costs. For the avoidance of doubt, no amount shall be included in more than one of clauses (i) through (iv) in the calculation of "Closing Liability Amount," and "Closing Liability Amount" shall exclude any amount included in the calculation of the Closing Working Capital Adjustment.

Section 1.36. "*Closing Payment*" means (i) $80,000,000, [*].

Section 1.37. "*Closing Payroll Taxes*" means the employer portion of any payroll, employment or social security Taxes incurred in connection with any Change of Control Payments or amounts payable under this Option Agreement in respect of Fortis Stock Options or Restricted Stock, in each case, to the extent unpaid as of immediately prior to the Closing and payable at or in connection with the Closing.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 1.38. "*Closing Working Capital Adjustment*" means, an amount, which may be positive or negative, equal to (i) the sum of Fortis' Current Assets [*] determined in accordance with GAAP, and, to the extent in conformance with GAAP, applied in a manner consistent with the principles, practices, procedures, policies and methods used by Fortis in the preparation of the Latest Balance Sheet; *minus* (ii) the sum of Fortis' current liabilities, including accrued expenses and accounts payable; in each case [*] determined in accordance with GAAP, and, to the extent in conformance with GAAP, applied in a manner consistent with the principles, practices, procedures, policies and methods used by Fortis in the preparation of the Latest Balance Sheet; *provided*, *however*, that, for purposes of this definition of "Closing Working Capital Adjustment," (a) "current liabilities" shall exclude all amounts included in the calculation of the Closing Liability Amount, (b) "current assets" shall exclude all cash and cash equivalents to the extent such amounts are included in the calculation of the Closing Payment, and (c) the Closing Working Capital Adjustment shall not include deferred Tax assets or deferred Tax Liabilities and shall include all current non-income Tax Liabilities and Tax assets, [*] determined in accordance with GAAP, and, to the extent in conformance with GAAP, applied in a manner consistent with the principles, practices, procedures, policies and methods used by Fortis in the preparation of the Latest Balance Sheet.

Section 1.39. "*Code*" means the Internal Revenue Code of 1986, as amended.

Section 1.40. "*Collateral*" is defined in Section 7.9(a).

Section 1.41. "*Commercially Reasonable Efforts*" means, [*].

Section 1.42. "*Competing Product*" is defined in Section 7.8(a).

Section 1.43. "*Confidential Information*" is defined in Section 7.7.

Section 1.44. "*Constitutive Documents*" means (i) the articles or certificate of incorporation and by-laws of a Person if such Person is a corporation, and analogous constitutive documents if such Person is another form of entity and (ii) with respect to Fortis, the Stockholder Agreements.

Section 1.45. "*Contingent Payment*" is defined in Section 2.13(a).

Section 1.46. "*Contingent Payment Deal Fees*" means [*].

Section 1.47. "*Contingent Payment Development Milestone*" is defined in Section 2.13(b).

Section 1.48. "*Contract*" means any loan or credit agreement, bond, debenture, note, mortgage, indenture, guarantee, security agreement, lease or other contract, agreement, instrument, or other legally binding arrangement or understanding, whether written or oral.

Section 1.49. "*Contractual Obligation*" means, with respect to any Person, any Contract to which or by which such Person is a party or otherwise subject or bound or to which or by which any property, business, operation or right of such Person is legally subject or legally bound.

Section 1.50. "*Cooley*" is defined in Section 11.12.

Section 1.51. "*Copyright*" means any copyright (i) licensed from any third party (other than commercial off-the-shelf software) or (ii) assigned, registered or applied for.

Section 1.52. "*Covered*" or "*Covering*" means, with respect to a product and an Issued Patent or Patent Application, that (a) the manufacture, importation, offer for sale, use or sale of such product in a particular country, in the absence of ownership to, or a license under, such Issued Patent, would infringe a Valid Claim of a specific Issued Patent or (b) the manufacture, importation, offer for sale, use or sale of such product in a particular country, in the absence of ownership to, or a license under, such Patent Application if it were issued as an Issued Patent, would infringe a Valid Claim of such Patent Application.

Section 1.53. "*Covered Materials*" is defined in Section 11.13.

Section 1.54. "*Current Assets*" means the current assets of Fortis, including accounts receivable, deposits on leased property, inventory and prepaid expenses.

Section 1.55. "*CVR Product*" means any [*].

Section 1.56. "*D&O Indemnified Parties*" is defined in Section 7.5(a).

Section 1.57. "*D&O Policy*" is defined in Section 7.5(c).

Section 1.58. "*Data Room*" means the electronic data room made available to FibroGen by Fortis through Microsoft Sharepoint in connection with the negotiation of this Option Agreement, as constituted on or prior to the date of this Option Agreement.

Section 1.59. "*Deal Fees*" means [*].

Section 1.60. "*Development Activities*" has the meaning set forth in the Evaluation Agreement.

Section 1.61. "*Development Fees*" has the meaning set forth in the Evaluation Agreement.

Section 1.62. "*Development Force Majeure Event*" has the meaning set forth in the Evaluation Agreement.

Section 1.63. "*DGCL*" means the General Corporation Law of the State of Delaware.

Section 1.64. "*Disclosed Events*" is defined in Section 3.1(a).

Section 1.65. "*Disclosure Schedule*" means a schedule of exceptions to the representations and warranties of Fortis set forth in this Option Agreement, delivered contemporaneously with this Option Agreement. The Disclosure Schedule shall be arranged in sections and subsections corresponding to the numbered and lettered sections and subsections contained in this Option Agreement; *provided*, *however*, that that any information or disclosure disclosed under a particular section or subsection of the Disclosure Schedule shall be deemed to be disclosed for purposes of and qualify each other section or subsection of this Option Agreement to the extent it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other numbered or lettered sections and subsections.

Section 1.66. "*Disqualified Individual*" is defined in Section 7.11.

Section 1.67. "*Dissenting Shares*" is defined in Section 2.16(a).

Section 1.68. "*DOJ*" means the United States Department of Justice.

Section 1.69. "*Due Diligence Review Period*" is defined in Section 3.1(d).

Section 1.70. "*Effective Time*" means the later of the acceptance of the filing of the Certificate of Merger by the Secretary of State of the State of Delaware or such time thereafter as specified in the Certificate of Merger.

Section 1.71. "*EMA*" means the European Medicines Agency or any successor agency or authority having substantially the same function.

Section 1.72. "*Employee Stock Option*" means a Fortis Stock Option granted to the holder in the holder's capacity as an employee of Fortis for applicable employment Tax purposes.

Section 1.73. "*Enforceable*" means, with respect to any Contractual Obligation stated to be Enforceable by or against any Person, that such Contractual Obligation is a legal, valid and binding obligation of such Person enforceable by or against such Person in accordance with its terms, except to the extent that enforcement of the rights and remedies created thereby is subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

Section 1.74. "*Environmental Law*" means any Law relating to (i) the manufacture, processing, use, labeling, distribution, treatment, storage, discharge, disposal, recycling, generation or transportation of Hazardous Materials; (ii) air (including indoor air), soil, surface, subsurface, groundwater or noise pollution; (iii) Releases or threatened Releases; (iv) protection of wildlife, endangered species, wetlands or natural resources; (v) underground storage tanks; (vi) above-ground storage tanks; (vii) health and safety of employees and other persons; (viii) the presence or content of Hazardous Materials in a product, item or article, whether a component or finished product; (ix) product life-cycle requirements; (x) land use and zoning requirements; and (xi) notification requirements relating to the foregoing. Without limiting the above, Environmental Law also includes the following within the United States and all foreign equivalents thereof: (a) CERCLA; (b) the Solid Waste Disposal Act, as amended by RCRA; (c) the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. §§ I 101 et seq.), as amended; (d) the Clean Air Act (42 U.S.C. §§ 7401 et seq.), as amended; (e) the Clean Water Act (33 U.S.C. §§ 1251 et seq.), as amended; (f) the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), as amended; (g) the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), as amended; (h) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), as amended; (i) the Federal Safe Drinking Water Act (42 U.S.C. §§ 300 et seq.), as amended; (j) the Federal Radon and Indoor Air Quality Research Act (42 U.S.C. §§ 7401 note, et seq.), as amended; (k) the Occupational Safety and Health Act (29 U.S.C §§ 651 et seq.), as amended; and (l) any Laws similar or analogous to (including counterparts of) any of the statutes listed above in effect as of the Closing Date.

Section 1.75. "*EOP2 Meeting*" has the meaning set forth in the Evaluation Agreement.

Section 1.76. "*EOP2 Minutes Date*" is defined in Section 1.175.

Section 1.77. "*ERISA*" means the Employee Retirement Income Security Act of 1974.

Section 1.78. "*ERISA Affiliate*" means, with respect to any Person, any other Person which, together with such Person, is a member of a controlled group of corporations or a group of trades or businesses under common control within the meaning of section 414 of the Code.

Section 1.79. "*Estimated Closing Balance Sheet*" is defined in Section 2.15(a).

Section 1.80. "*Estimated Closing Cash Amount*" is defined in Section 2.15(a).

Section 1.81. "*Estimated Closing Liability Amount*" is defined in Section 2.15(a).

Section 1.82. "*Estimated Closing Payment*" is defined in Section 2.15(a).

Section 1.83. "*Estimated Closing Statement*" is defined in Section 2.15(a).

Section 1.84. "*Estimated Closing Working Capital Adjustment*" is defined in Section 2.15(a).

Section 1.85. "*EU*" means all of the European Union member states as of the applicable time.

Section 1.86. "*Evaluation Agreement*" means the Evaluation Agreement between Fortis and FibroGen, dated as of the date hereof.

Section 1.87. "*Exercise Notice*" is defined in Section 3.2(a).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.
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Section 1.88. "*Exploit*" or "*Exploitation*" means to research, make, have made, distribute, import, export, use, have used, sell, have sold, or offer for sale, including to develop, commercialize, register, modify, enhance, improve, manufacture, have manufactured or otherwise dispose of.

Section 1.89. "*FCPA*" is defined in Section 5.25.

Section 1.90. "*FDA*" means the U.S. Food and Drug Administration, or any successor agency or authority thereto.

Section 1.91. "*FFDCA*" means the United States Federal Food, Drug, and Cosmetic Act, as amended.

Section 1.92. "*FibroGen*" is defined in the preamble of this Option Agreement.

Section 1.93. "*FibroGen Clinical Studies*" has the meaning set forth in the Evaluation Agreement.

Section 1.94. "*FibroGen Indemnified Party*" is defined in Section 9.2.

Section 1.95. "*FibroGen Tax Action*" means [*].

Section 1.96. "*Final Closing Payment*" means the Closing Payment as finally determined pursuant to Section 2.15.

Section 1.97. "*Final Exercise Date*" is defined in Section 3.2(b).

Section 1.98. "*Final Exercise Notice*" is defined in Section 3.2(b).

Section 1.99. "*Financial Statements*" is defined in Section 5.8.

Section 1.100. "*First CVR Product Approval*" is defined in Section 2.13(b).

Section 1.101. "*FOR46*" has the meaning set forth in the Evaluation Agreement.

Section 1.102. "*Fortis*" is defined in the preamble of this Option Agreement.

Section 1.103. "*Fortis Capital Stock*" means the Capital Stock of Fortis.

Section 1.104. "*Fortis Common Stock*" is defined in Section 5.4(a).

Section 1.105. "*Fortis Equityholders*" means Fortis Shareholders and Fortis Warrantholders.

Section 1.106. "*Fortis Intellectual Property*" means all Intellectual Property owned by or licensed to Fortis.

Section 1.107. [*].

Section 1.108. "*Fortis Personnel*" means any former or current director, officer, employee, individual independent contractor or consultant of Fortis, including, for the avoidance of doubt, any individual engaged (or who has previously been engaged) to provide services for Fortis pursuant to the Support Services Agreement between Fortis and [*] dated as of August 1, 2016 (in each case solely in their capacity as a service provider to Fortis).

Section 1.109. "*Fortis Preferred Stock*" is defined in Section 5.4(a).

Section 1.110. "*Fortis Registrations*" is defined in Section 5.14(a).

Section 1.111. "*Fortis Shareholder*" means a holder of Fortis Capital Stock.

Section 1.112. "*Fortis Stock Option*" means an option to purchase or acquire shares of Fortis Capital Stock granted under the Fortis Stock Plan.

Section 1.113. "*Fortis Stock Plan*" means Fortis's 2016 Equity Incentive Plan, as amended.

Section 1.114. "*Fortis Voting Agreement*" means that certain Voting Agreement, [*] by and among Fortis and the Voting Parties (as defined therein) party thereto.

Section 1.115. "*Fortis Warrantholder*" means a holder of Warrants.

Section 1.116. "*Fraud*" means actual and intentional fraud under Delaware common law with respect to the making of one or more of the representations and warranties of (i) Fortis contained in Article 5 of this Agreement or (ii) FibroGen contained in Article 6 of this Agreement; *provided*, *however*, that "Fraud" shall not include any cause of action based on constructive fraud.

Section 1.117. "*FTC*" means the United States Federal Trade Commission.

Section 1.118. "*Fundamental Representations*" means the representations and warranties contained in [*].

Section 1.119. "*GAAP*" means United States generally accepted accounting principles, consistently applied.

Section 1.120. "*GCP*" has the meaning set forth in the Evaluation Agreement.

Section 1.121. "*GLP*" has the meaning set forth in the Evaluation Agreement.

Section 1.122. "*GMP*" has the meaning set forth in the Evaluation Agreement.

Section 1.123. "*Governmental Entity*" means any instrumentality, subdivision, court, administrative agency, commission, official or other authority of any country, state, province, prefect, municipality, locality or other government or political subdivision thereof, or any multinational organization or authority, or any quasi-governmental, private body, mediator, arbitrator or arbitral body exercising any executive, legislative, judicial, quasi-judicial, regulatory, taxing, importing, administrative or other governmental or quasi-governmental authority.

Section 1.124. "*Government Order*" means any order, writ, judgment, injunction, decree, stipulation, ruling, decision, verdict, determination or award made, issued or entered by or with any Governmental Entity.

Section 1.125. "*Handling*" means the receipt, access, acquisition, collection, compilation, use, storage, processing, transmission, safeguarding, security, disposal, destruction, disclosure, sale, licensing, rental, or transfer of information.

Section 1.126. "*Hazardous Material*" means any chemical, pollutant, contaminant, pesticide, fungicide, rodenticide, poison, petroleum or petroleum product, radioactive substance, biological material, genetically modified organism, wastes (including solid, hazardous, extremely hazardous, special, dangerous, or toxic), any substance, chemical or material regulated, listed, limited or defined as such under any Environmental Law, including: (i) any by-products, derivatives, or combinations of such material; (ii) lead, asbestos, asbestos-containing material, presumed asbestos-containing material, poly-chlorinated biphenyls, solvents and waste oil, and mold or other indoor air contaminants; (iii) any "hazardous substance," "pollutant", "toxic pollutant" or "contaminant" as defined under Environmental Laws; (iv) any "hazardous waste" as defined under RCRA, or any Environmental Law applicable to the management of waste; and (v) any other substance which may be subject of regulatory action by any Governmental Entity in connection with any Environmental Law.

Section 1.127. "*HSR Act*" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

Section 1.128. "*HSR Approval*" is defined in Section 8.3(b).

Section 1.129. "*In-the-Money Fortis Stock Options*" means all Fortis Stock Options that are issued, outstanding and vested (including as a result of any acceleration approved by the board of directors of Fortis in accordance with this Option Agreement) as of immediately prior to the Effective Time and that have an exercise price that is less than the per share portion of the Estimated Closing Payment payable in respect of each share of Fortis Common Stock, determined in accordance with the Charter.

Section 1.130. "*In-the-Money Warrants*" means all Warrants issued and outstanding as of immediately prior to the Effective Time with an exercise price that is less than the per share portion of the Estimated Closing Payment payable in respect of each share of Fortis Common Stock, determined in accordance with the Charter.

Section 1.131. "*IND*" has the meaning set forth in the Evaluation Agreement.

Section 1.132. "*Indebtedness*" of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money (other than trade payables or other trade liabilities), (ii) all obligations of such Person evidenced by bonds, debentures, notes, mortgages or similar instruments, (iii) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien or other claim on any assets and properties owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (iv) all guarantees by such Person or contingent liabilities of such Person with respect to the Indebtedness of others, (v) all capital lease obligations of such Person, (vi) all obligations of such Person as an account party in respect of letters of credit and banker's acceptances (solely to the extent drawn), (vii) all obligations with respect to severance pay or other termination-related payments or benefits owed to any person whose employment or other service relationship with Fortis terminates prior to the Closing, together with the employer portion of any Taxes arising therefrom, (viii) all obligations with respect to accrued but unpaid bonus and commission payments payable to current or former employees or other service providers of such Person, together with the employer portion of any Taxes arising therefrom, (ix) obligations under any interest rate, currency or other hedging agreement and (x) with respect to Fortis, all accrued and unpaid income Taxes of Fortis and any of its Subsidiaries for all Pre-Closing Tax Periods calculated in accordance with past practice (with the amount of such Taxes with respect to each applicable taxing jurisdiction and Tax for each applicable Pre-Closing Tax Period not being less than zero), and (xi) with respect to Fortis, all Closing Payroll Taxes.

Section 1.133. "*Indemnified Party*" means the FibroGen Indemnified Parties or Seller Indemnified Parties, as applicable.

Section 1.134. "*Indemnifying Party*" means any Person against whom a claim for indemnification is being asserted under any provision of Article 9; *provided*, that with respect to the Sellers, all references to "Indemnifying Party" in Article 9 with notices required to be delivered to, and all rights of the Indemnifying Party shall be deemed to refer to the Sellers' Representative (except for provisions relating to an obligation to make or right to receive any payments), acting on behalf of the Sellers.

Section 1.135. "*Indemnity Liability Cap*" means [*].

Section 1.136. "*Indemnity Pro Rata Share*" means, with respect to each Seller, the percentage amount obtained by dividing (i) the aggregate Merger Consideration paid or, with respect to Contingent Payments, payable to such Seller under this Option Agreement, by (ii) the aggregate Merger Consideration paid or, with respect to Contingent Payments, payable to all Sellers under this Option Agreement, in each case prior to any deductions.

Section 1.137. "*Indication*" means each differentiated disease, condition, disorder or syndrome. For cancer, (i) any unique tissue or cell type of origin or patient population for which there are applicable NCCN Clinical Guidelines (e.g. prostate cancer, colon cancer, non-small cell lung cancer, pancreatic adenocarcinoma, pediatric central nervous system cancers, etc.), (ii) any new lines of therapy within the same cancer type (for example, 1st line NSCLC vs. 2nd line NSCLC), or (iii) different tumor or patient subpopulations described in any particular NCCN Clinical Guidelines (for example, triple negative breast cancer), in each case ((i)-(iii)) will be deemed separate Indications.

Section 1.138. "*Intellectual Property*" means any (i) Patents, (ii) Marks or applications for Marks, (iii) Copyrights, (iv) Know-How or (v) other intellectual property or proprietary rights, including tangible biologic materials.

Section 1.139. "*Invention Assignment Agreement*" is defined in Section 5.14(g).

Section 1.140. "*Investors' Rights Agreement*" means that certain Investors' Rights Agreement, dated as of [*], by and among Fortis and the Investors (as defined therein) party thereto.

Section 1.141. "*IRS*" means the Internal Revenue Service of the United States of America.

Section 1.142. "*Issued Patent*" means all issued patents, reissued or reexamined patents, including petty patents, design patents, revivals of patents, utility models, certificates of invention, registrations of patents and extensions thereof (including supplementary protection certificates), regardless of country issued or formal name, and any counterparts claiming priority therefrom or the benefit thereof under applicable Laws.

Section 1.143. "*Joinder*" means the joinder to this Option Agreement in the form attached hereto as Exhibit A.

Section 1.144. "*Judgment*" means any writ, judgment, injunction, order, decree, stipulation determination or award entered by or with any Governmental Entity.

Section 1.145. "*Know-How*" means information (including confidential information), know-how, inventions, discoveries, compositions, formulations, formulas, practices, procedures, processes, methods, knowledge, trade secrets, technology, techniques, designs, drawings, correspondence, computer programs, documents, apparatus, results, strategies, information pertaining to, or made in association with, filings with any Regulatory Entity or patent office, data (including pharmacological, toxicological, non-clinical, pre-clinical and clinical data, analytical and quality control data, manufacturing data and descriptions, market data, financial data or descriptions), devices, assays, specifications, physical, chemical and biological materials and compounds, and the like, in written, electronic, oral or other tangible or intangible form, now known or hereafter developed, whether or not patentable. Know-How shall include all contents of the Data Room and all Confidential Information shared with FibroGen by Fortis.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 1.146. "*Latest Balance Sheet*" means Fortis's most recently prepared balance sheet in the Updated Financial Statements delivered to FibroGen prior to the Closing pursuant to Section 3.1(c).

Section 1.147. "*Law*" means any federal, state, territorial, foreign or local law, common law, statute, ordinance, judicial decision, rule, regulation or code of any Governmental Entity.

Section 1.148. "*Legal Requirement*" means any United States federal, state or local or any foreign law, statute, standard, ordinance, code, rule, regulation, resolution or promulgation, or any Government Order.

Section 1.149. "*Letter of Transmittal*" is defined in Section 2.11(a).

Section 1.150. "*Liabilities*" means any and all damages, debts, liabilities and obligations, Losses, Taxes, interest obligations, deficiencies, judgments, assessments, fines, fees, penalties, and expenses, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, Action or Judgment and those arising under any contract, agreement, arrangement, commitment or undertaking.

Section 1.151. "*Lien"* means any lien, security interest, mortgage, pledge, lease, levy, charge, equitable or ownership interest, license, or other encumbrance or restriction of any kind, whether arising by Contract or by operation of Law, or any conditional sale Contract or title retention Contract.

Section 1.152. "*Losses*" means any [*].

Section 1.153. "*Manufacture*" has the meaning set forth in the Evaluation Agreement.

Section 1.154. "*Mark*" means any trademark, trade name, trade dress, service mark or domain name.

Section 1.155. "*Material Adverse Change*" means any change, effect, event, occurrence, state of facts or development (collectively, "*Effect*") which, individually or in the aggregate, would reasonably be expected to result in, or has resulted in, any change or effect, that (i) is materially adverse to the business, condition (financial or otherwise), assets, liabilities or results of operations of Fortis, or (ii) would reasonably be expected to prevent or materially impede, materially interfere with, materially hinder or materially delay the consummation of the Merger; *provided* that none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Change: (a) any Effect relating to the economy in general in the United States or in any other jurisdiction in which Fortis has operations or conducts business, to the extent such Effects do not disproportionately impact Fortis as compared to any of the other companies in Fortis's industry; (b) any Effect reasonably attributable to conditions affecting the industry in which Fortis participates, to the extent such Effects do not disproportionately impact Fortis as compared to any of the other companies in Fortis's industry; (c) any natural disaster or acts of terrorism, military action or war, or any escalation or worsening thereof; (d) changes in applicable Laws or GAAP, to the extent such changes do not disproportionately impact Fortis as compared to any of the other companies in Fortis's industry; and (e) any Effect to the extent resulting from or arising out of the execution, delivery, announcement or performance of this Option Agreement, any of the Ancillary Agreements or the announcement, pendency or anticipated consummation of the Merger or the other transactions contemplated herein or therein.

Section 1.156. "*Material Claims*" is defined in Section 9.4(e).

Section 1.157. "*Material Contract*" is defined in Section 5.13(a).

Section 1.158. "*Merger*" is defined in the Recitals.

Section 1.159. "*Merger Consideration*" is defined in Section 2.8(c).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 1.160. "*Merger Sub*" means the direct, wholly owned subsidiary of FibroGen that FibroGen will incorporate after the date of this Option Agreement pursuant to Section 7.13 to effectuate the Merger.

Section 1.161. "*Merger Sub Common Stock*" means the common stock of Merger Sub.

Section 1.162. "*Mini Basket*" is defined in Section 9.4(a).

Section 1.163. "*Modified Product*" has the meaning set forth in the Evaluation Agreement.

Section 1.164. "*Most Recent Balance Sheet*" means the unaudited consolidated balance sheet of Fortis as of the Most Recent Balance Sheet Date.

Section 1.165. "*Most Recent Balance Sheet Date*" is defined in Section 5.8.

Section 1.166. "*NCCN*" means the National Comprehensive Cancer Network.

Section 1.167. "*NCCN Clinical Guideline*" means the then current NCCN Clinical Practice Guidelines in Oncology as found at www.nccn.org/guidelines.

Section 1.168. "*Negative Adjustment Amount*" is defined in Section 2.15(e).

Section 1.169. "*Non-Employee Stock Option*" means a Fortis Stock Option that is not an Employee Stock Option.

Section 1.170. "*Objection Period*" is defined in Section 2.15(c).

Section 1.171. "*Off-the-Shelf Software*" means generally available commercial software obtained from a third party on general commercial terms that (i) continues to be widely available on such commercial terms as of the Closing Date, (ii) involves license, maintenance, support, and other fees less than [*], (iii) is not material to the Business, (iv) is not distributed with, incorporated in, or necessary for use or development of, any product or service of Fortis, and (v) is not Open Source Software.

Section 1.172. "*Open Source Software*" means any software that is distributed (i) as "free software" (as defined by the Free Software Foundation), (ii) as "open source software" or pursuant to any license identified as an "open source license" by the Open Source Initiative (www.opensource.org/licenses), or (iii) under any similar licensing or distribution model, or (iv) under a license that requires disclosure of source code or requires derivative works based on such software to be made publicly available under the same license.

Section 1.173. "*Option*" is defined in the Recitals.

Section 1.174. "*Option Agreement*" is defined in the preamble of this Option Agreement.

Section 1.175. "*Option Exercise Deadline*" means [*].

Section 1.176. "*Option Period*" means [*].

Section 1.177. "*Option Premium*" means [*].

Section 1.178. "*Ordinary Course of Business*" means the ordinary course of business, consistent with past practice or, with respect to matters covered under a development plan for a Product (including the Study Plan), materially in accordance with such development plan (including the Study Plan).

Section 1.179. "*Out-of-the-Money Fortis Stock Option*" is defined in Section 2.9(b).

Section 1.180. "*Out-of-the-Money Warrant*" is defined in Section 2.9(d).

Section 1.181. "*Outside Date*" is defined in Section 1.175.

Section 1.182. "*Partial Payment #1*" is defined in Section 2.13(b).

Section 1.183. "*Partial Payment #2*" is defined in Section 2.13(b).

Section 1.184. "*Party*" means FibroGen, Fortis and the Sellers' Representative.

Section 1.185. "*Patent Applications*" means all published or unpublished nonprovisional and provisional patent applications, international (PCT) applications, substitutions, divisionals, renewals, reissue applications, reexamination proceedings, invention disclosures and records of invention, continuations, continuations-in-part, requests for continued examination and divisions, regardless of country filed or formal name.

Section 1.186. "*Patents*" means the Issued Patents and Patent Applications.

Section 1.187. "*Paying Agent*" is defined in Section 2.10.

Section 1.188. "*Paying Agent* Agreement" is defined in Section 2.10.

Section 1.189. "*Payoff Recipient*" means the holders of Indebtedness for borrowed money to be paid in connection with the Closing.

Section 1.190. "*Periodic Updates*" is defined in Section 3.1(a).

Section 1.191. "*Permit*" means any federal, state or local, domestic or foreign, governmental consent, approval, order, authorization, certificate, permit, registration, franchise, license or right.

Section 1.192. "*Permitted Liens*" means the following: (i) statutory Liens for Taxes not yet due or payable or that are being contested in good faith through appropriate procedures and for which adequate reserves have been established on financial statements in accordance with GAAP; (ii) Liens for assessments and other governmental charges or Liens of landlords, carriers, warehousemen, mechanics and repairmen incurred in the Ordinary Course of Business, in each case for sums not yet due and payable or due but not delinquent; (iii) Liens incurred in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other types of social security; and (iv) encumbrances in the nature of zoning restrictions, easements, rights or restrictions of record on the use of real property if the same do not materially detract from the value of the property encumbered thereby or materially impair the use of such property in Fortis' business.

Section 1.193. "*Person*" means an individual, corporation, company, partnership, limited liability company, joint venture, association, trust, business trust, Governmental Entity, unincorporated organization, a division or operating group of any of the foregoing or any other entity or organization.

Section 1.194. "*Personal Information*" means any information that (i) is subject to Handling obligations under Legal Requirement or Contractual Obligation, (ii) is subject to a requirement, under Legal Requirement or Contractual Obligation, that any Person be notified if such information is lost, misused, wrongly accessed, wrongly acquired or compromised, (iii) alone or in combination with other information can be used to identify an individual Person; or (iv) constitutes any health or other sensitive information of an individual Person.

Section 1.195. "*Personal Property Leases*" is defined in Section 5.11(b).

Section 1.196. "*PET46*" has the meaning set forth in the Evaluation Agreement.

Section 1.197. "*PET Technical Study*" has the meaning set forth in the Evaluation Agreement.

Section 1.198. "*Phase 3 Clinical Trial*" has the meaning set forth in the Evaluation Agreement.

Section 1.199. "*Positive Adjustment Amount*" is defined in Section 2.15(f).

Section 1.200. "*Post-Closing Payroll Taxes*" means the employer portion of any payroll, employment or social security Taxes incurred in connection with any Contingent Payments in respect of Fortis Stock Options or Restricted Stock, in each case, that are not Closing Payroll Taxes. For the avoidance of doubt, Post-Closing Payroll Taxes will: (i) not be included within the definitions of Closing Liability Amount, Change of Control Payments, Closing Indebtedness, Pre-Closing Taxes, or Deal Fees; (ii) not reduce the Closing Payment or any Contingent Payment; and (iii) be borne solely by FibroGen or its Affiliates.

Section 1.201. "*Post-Closing Tax Period*" means any Tax Period beginning after the Closing Date and that portion of any Straddle Period beginning after the Closing Date.

Section 1.202. "*Pre-Closing Period*" is defined in Section 7.1(a).

Section 1.203. "*Pre-Closing Tax Period*" means any Tax Period ending on or before the Closing Date and that portion of any Straddle Period ending on the Closing Date.

Section 1.204. "*Pre-Closing Taxes*" means (i) any Taxes of Fortis and any of its Subsidiaries for all Pre-Closing Tax Periods, (ii) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which Fortis or any of its Subsidiaries is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local or foreign law, (iii) all Liability for Taxes of any Person arising under principles of transferee or successor Liability, or by contract (excluding, for the avoidance of doubt, any contracts entered into in the Ordinary Course of Business the primary purpose of which is not related to Taxes) or operation of Law imposed on Fortis or any of its Subsidiaries for any period by reason of any event or transaction occurring on or prior to the Closing Date, and (iv) all Closing Payroll Taxes and any accrued and unpaid payroll Taxes of Fortis and any of its Subsidiaries that have been deferred from a Pre-Closing Tax Period to a Post-Closing Tax Period under the CARES Act. Notwithstanding the foregoing, Pre-Closing Taxes shall (A) not include (1) any Transfer Taxes for which FibroGen is responsible pursuant to Section 7.2(d), (2) any Post-Closing Payroll Taxes, (3) any Taxes allocated to FibroGen pursuant to Section 7.2(i), (4) any Taxes attributable to Tax Periods (or portions thereof) beginning after the Closing Date (for the avoidance of doubt, except for such Taxes that are indemnifiable under Section 9.2(a)), (5) any Taxes due to the unavailability in any Tax period (or portion thereof) beginning after the Closing Date of any net operating losses, credits or other Tax attribute from a Tax period (or portion thereof) ending on or prior to the Closing Date, (6) any Taxes arising from an election under Section 338 or Section 336 of the Code or any similar provision of foreign, state or local Law in respect of the consummation of the transactions contemplated by this Option Agreement, or (7) any Taxes incurred by Fortis on the Closing Date after the Closing outside the Ordinary Course of Business (other than as explicitly contemplated by this Option Agreement).

Section 1.205. "*Predecessor*" means, with respect to any specified Person, (a) any other Person that has ever merged or consolidated with or into such specified Person or (b) any other Person all or substantially all of whose assets has ever been acquired by such specified Person (whether by purchase, upon liquidation or otherwise).

Section 1.206. "*Pro Rata Percentage*" means, with respect to each Seller, at the time of calculation, the percentage of any of Merger Consideration that becomes due and payable to the Sellers payable to such Seller, determined in accordance with the Charter.

Section 1.207. "*Product*" means any product containing, constituting or incorporating one or more of the following: (i) FOR46, (ii) CD46 Agent(s), or (iii) PET46.

Section 1.208. "*RCRA*" means the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), as amended, and any foreign and state law counterparts.

Section 1.209. "*Regulatory Approval*" means, with respect to a particular country or other regulatory jurisdiction, all approvals and authorizations necessary for the manufacture, use, storage, import, transport or sale of a pharmaceutical or biologic product for one or more indications in such country or regulatory jurisdiction, which may include satisfaction of all applicable regulatory and notification requirements, including any pricing or reimbursement approvals to the extent required under applicable Law.

Section 1.210. "*Regulatory Entity*" means any applicable Governmental Entity involved in granting Regulatory Approval in a country or jurisdiction.

Section 1.211. "*Regulatory Materials*" means regulatory applications, submissions, notifications, registrations, Regulatory Approvals or other submissions, including any written correspondence or meeting minutes, made to, made with, or received from a Regulatory Entity relating to any Product in a particular country or jurisdiction. Regulatory Materials include, without limitation, INDs and drug approval applications for any Product, and amendments and supplements for any of the foregoing.

Section 1.212. "*Rejection Notice*" is defined in Section 3.2(b).

Section 1.213. "*Rejection Time*" is defined in Section 7.9(a).

Section 1.214. "*Releases*" means any spill, discharge, leak, migration, emission, escape, injection, dumping, leaching, or other release of any Hazardous Material into the indoor or outdoor environment, whether or not intentional, and whether or not notification or reporting to any Governmental Entity was or is required at the time it initially occurred or continued to occur. Without limiting the above, Release includes the meaning of "Release" as defined under CERCLA.

Section 1.215. "*Representative Losses*" is defined in Section 2.12(c).

Section 1.216. "*Representatives*" means with respect to a Person, such Person's legal, financial, internal and independent accounting and other advisors and representatives.

Section 1.217. "*Restricted Stock*" means shares of Fortis Capital Stock that are subject to repurchase or vesting.

Section 1.218. "*Restrictive Covenants Agreement*" means each Restrictive Covenants Agreement, dated as of the date hereof, by and between certain Fortis Equityholders, Fortis and FibroGen, substantially in the form attached hereto as Exhibit H.

Section 1.219. "*Right of First Refusal and Co-Sale Agreement*" means that certain Right of First Refusal and Co-Sale Agreement, dated as of [*], by and among Fortis and the Investors (as defined therein) and Common Holders (as defined therein) party thereto.

Section 1.220. "*S-X Auditor*" is defined in Section 3.1(e).

Section 1.221. "*Sale Transaction*" is defined in Section 2.13(f).

Section 1.222. "*Schedule I*" means a statement delivered to FibroGen prior to the payment of the Option Premium assuming that the Closing Date is the date of this Option Agreement, as the same may be amended prior to Closing to the extent required under Section 2.4(a)(i) to make Schedule I true, complete and accurate in all respects on the Closing Date, which Schedule I as so amended shall supersede and become Schedule I for all purposes of this Option Agreement, with the following information:

(a) the name, address and email address (to the extent available) of each Seller,

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) the number of shares of each class or series of Fortis Capital Stock held by each Seller and in the case of Fortis Stock Options and Warrants, the number of shares of each class or series of Fortis Capital Stock underlying such Fortis Stock Options and Warrants, the exercise price and expiration date thereof, whether the Fortis Stock Options are In-the-Money Fortis Stock Options or Employee Stock Options, and the number of shares subject to Fortis Stock Options that are vested,

(c) the respective portion of the Closing Payment payable to each Seller,

(d) the respective portion of each Contingent Payment that becomes due and payable in accordance with Section 2.13, that is allocated to each Seller in accordance with the terms of this Option Agreement, and

(e) each Seller's Pro Rata Percentage and Indemnity Pro Rata Share.

Section 1.223. "*SEC*" means the Securities and Exchange Commission.

Section 1.224. "*SEC Audited Financials*" is defined in Section 3.1(e).

Section 1.225. "*SEC Financials*" is defined in Section 3.1(e).

Section 1.226. "*SEC Unaudited Financials*" is defined in Section 3.1(e).

Section 1.227. "*Second CVR Product Approval*" is defined in Section 2.13(b).

Section 1.228. "*Second Unique Indication*" is defined in Section 2.13(b).

Section 1.229. "*Securities Act*" means the Securities Act of 1933.

Section 1.230. "*Security Interest*" is defined in Section 7.9(a).

Section 1.231. "*Seller Indemnified Party*" is defined in Section 9.3.

Section 1.232. "*Sellers*" means (i) the holders of Fortis Capital Stock as of immediately prior to the Effective Time (other than holders of Dissenting Shares), (ii) the holders of In-the-Money Warrants as of immediately prior to the Effective Time, and (iii) the holders of In-the-Money Fortis Stock Options as of immediately prior to the Effective Time.

Section 1.233. "*Shareholder Approval*" is defined in Section 5.3(b).

Section 1.234. "*Sellers' Representative*" is defined in Section 2.12(a).

Section 1.235. "*Sellers' Representative Reserve*" means [*].

Section 1.236. "*Software*" means computer software and databases, including object code, source code, firmware and embedded versions thereof and documentation related thereto.

Section 1.237. "*Specified IP Representations*" means [*].

Section 1.238. "*Straddle Period*" means any Tax Period that includes (but does not end on) the Closing Date.

Section 1.239. "*Stockholder Agreements*" means, collectively, the Fortis Voting Agreement, the Right of First Refusal and Co-Sale Agreement, and the Investors' Rights Agreement.

Section 1.240. "*Study Plan*" has the meaning set forth in the Evaluation Agreement.

Section 1.241. "*Subsidiary*" means, with respect to any Person, (i) any corporation more than fifty percent (50%) of whose stock of any class or classes is owned by such Person directly or indirectly through one (1) or more Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person directly or indirectly through one (1) or more Subsidiaries of such Person has more than a fifty percent (50%) equity interest.

Section 1.242. "*Surviving Corporation*" is defined in Section 2.2.

Section 1.243. "*System*" or "*Systems*" means all Software, hardware, networks, databases, electronics, platforms, servers, interfaces, applications, websites and related information technology systems and services used or held for use by Fortis, including any outsourced systems and services, that are owned or used by Fortis.

Section 1.244. "*Tax*" (and, with correlative meaning, "*Taxes*" and "*Taxable*") means (a) any income, capital gains, alternative or add-on minimum, estimated, gross income, gross receipts, sales, use, value added, ad valorem, franchise, capital stock or other equity securities, profits, license, registration, withholding, employment, unemployment, disability, severance, occupation, social security (or similar including FICA), payroll, transfer, conveyance, documentary, stamp, property (real, tangible, estimated or intangible), premium, escheat obligation, environmental, windfall profits, customs duties, minimum tax, excise or other taxes, duties, fines, assessments or any other governmental charges in the nature of a tax, together with any interest, penalties or addition thereto, whether disputed or not, imposed by a Taxing Authority, and (b) any Liability for the payment of any amount of any type described in clause (a) of this sentence as a result of being or having been a member of an affiliated, consolidated, combined, unitary or aggregate group for any Tax Period, and (c) any Liability for the payment of any amounts of the type described in clause (a) or (b) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to assume such Taxes or to indemnify any other Person.

Section 1.245. "*Tax Law*" means all currently applicable Laws relating to or regulating the assessment, determination, collection or imposition of Taxes.

Section 1.246. "*Tax Period*" means any period prescribed by any Taxing Authority for which a Tax Return is required to be filed or a Tax is required to be paid.

Section 1.247. "*Tax Return*" means any report, return, declaration, claim for refund, information return, statement, designation, election, notice or certificate filed or required to be filed with any Taxing Authority in connection with the determination, assessment, collection or payment of any Taxes, including any schedule or attachment thereto and including any amendment thereof.

Section 1.248. "*Taxing Authority*" means any Governmental Entity having jurisdiction over the assessment, determination, collection, or imposition of any Taxes (domestic or foreign).

Section 1.249. "*Technology*" means all inventions, works, discoveries, innovations, know-how, information (including ideas, research and development, formulas, algorithms, compositions, processes and techniques, data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, business and marketing plans and proposals, graphics, illustrations, artwork, documentation, and manuals), integrated circuits and integrated circuit masks, equipment, and all other forms of technology and business materials, whether tangible or intangible, embodied in any form, whether or not protectable or protected by patent, copyright, mask work right, trade secret law, or otherwise, and all documents and other materials recording any of the foregoing.

Section 1.250. "*Third CVR Product Approval*" is defined in Section 2.13(b).

Section 1.251. "*Third Party*" means any Person other than Fortis, FibroGen or any of their respective Affiliates.

Section 1.252. "*Third Party Claim*" is defined in Section 9.5(e).

Section 1.253. "*Third Unique Indication*" is defined in Section 2.13(b).

Section 1.254. "*Transaction Deductions*" means, without duplication, any deduction allowable for income Tax purposes under applicable Law with respect to the following amounts to the extent borne by Fortis on or before the Closing or taken into account as a reduction of the Merger Consideration: (i) any and all Change of Control Payments made or accrued by Fortis at or before Closing (or included as a liability in the Closing Liability Amount), (ii) all fees, expenses and interest (or amounts treated as such for U.S. federal income Tax purposes), original issue discount, unamortized debt financing costs, breakage fees, tender premiums, consent fees, redemption, retirement or make-whole payments, or defeasance in excess of par incurred in respect of Closing Indebtedness (or included as a liability in the Closing Liability Amount), (iii) all Deal Fees, fees, costs and expenses incurred by Fortis in connection with or incident to this Option Agreement and the transactions contemplated hereby, including any such legal, accounting and investment banking fees, costs and expenses, (iv) all deductions in respect of the exercise, or payment for the cancellation of, options in connection with the Closing, and (v) any Closing Payroll Taxes.

Section 1.255. "*Transaction Proposal*" means any proposal or offer from any Person relating to, or that would reasonably be expected to lead to, any (i) direct or indirect acquisition or sale of substantial assets of Fortis, (ii) transaction which would result in a change in the capitalization of Fortis as of the date hereof, including any sale or issuance of any capital stock of Fortis to any Person (but excluding (A) the issuance of Fortis Stock Options and (B) the issuance of Capital Stock upon the exercise of Fortis Stock Options or Warrants or conversion of Fortis Preferred Stock), (iii) license or grant of rights to any third party for any of Fortis Intellectual Property, other than pursuant to any non-exclusive license entered into in the Ordinary Course of Business that are not material to Fortis or the Products, or (iv) direct or indirect acquisition or sale of any of the capital stock of Fortis (whether through a share purchase, merger, consolidation, business combination, recapitalization or similar transaction involving Fortis), in each case of clauses (i) through (iv), other than the Merger and the other transactions contemplated by this Option Agreement.

Section 1.256. "*Transfer Costs*" has the meaning set forth in the Evaluation Agreement.

Section 1.257. "*Transfer Taxes*" means all transfer, sale and use, registration, documentary or mortgage recording, value added, stamp and similar Taxes and fees (including any penalties and interest) incurred, imposed, assessed or payable in connection with or as a result of this Option Agreement or any transactions contemplated hereby.

Section 1.258. "*U.S.*" means the United States, its territories and possessions, including Puerto Rico.

Section 1.259. "[*]" means [*].

Section 1.260. "[*] Data Use Agreement" has the meaning set forth in the Evaluation Agreement.

Section 1.261. "[*] License" means [*].

Section 1.262. "*Union*" means any labor union, trade union or other employee representative body.

Section 1.263. "*Update Report*" is defined in Section 2.13(g).

Section 1.264. "*Updated Disclosure Schedule*" is defined in Section 3.1(a).

Section 1.265. "*Updated Financial Statements*" is defined in Section 3.1(c).

Section 1.266. "*Valid Claim*" means a claim of (a) an unexpired Issued Patent, which claim has not been revoked or held invalid, unpatentable or unenforceable by a patent office, court or other governmental agency of competent jurisdiction in a final order, from which no further appeal can be taken, and which claim has not been irrevocably abandoned, disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination, inter-partes review, post-grant review, opposition procedure, nullity suit, disclaimer, or otherwise; or (b) any Patent Application that has not been (i) cancelled, withdrawn or abandoned without being refiled in another application in the applicable jurisdiction or (ii) finally rejected by an administrative agency or Governmental Entity of competent jurisdiction in a decision that is not appealable or that has not been appealed within the time allowed for appeal; [*].

Section 1.267. "*Waived Benefits*" is defined in Section 7.11.

Section 1.268. "*Warrant*" means a warrant to purchase or acquire Fortis Capital Stock.

Section 1.269. "*Written Consent*" means the written consent of Fortis Shareholders in the form attached as Exhibit B, adopting this Option Agreement and approving the consummation of the Merger in accordance with this Option Agreement.

Section 1.270. Descriptive Headings; Certain Interpretations.

(a) Headings. The table of contents and headings contained in this Option Agreement are for reference purposes only and shall not control or affect the meaning or construction of this Option Agreement.

(b) Interpretations. Except where expressly stated otherwise in this Option Agreement, the following rules of interpretation apply to this Option Agreement:

(i) "or" has the inclusive meaning represented by the phrase "and/or";

(ii) "include", "includes" and "including" are not limiting;

(iii) "hereof", "hereto", "hereby", "herein" and "hereunder" and words of similar import when used in this Option Agreement refer to this Option Agreement as a whole and not to any particular provision of this Option Agreement;

(iv) "date hereof" refers to the date of this Option Agreement set forth in the preamble;

(v) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if";

(vi) definitions contained in this Option Agreement are applicable to the singular as well as the plural forms of such terms;

(vii) references to an agreement or instrument mean such agreement or instrument as from time to time amended, modified or supplemented;

(viii) references to a Person are also to its permitted successors and assigns;

(ix) references to an "Article", "Section", "Subsection", "Exhibit" or "Schedule" refer to an Article of, a Section or Subsection of, or an Exhibit or Schedule to, this Option Agreement;

(x) words importing the masculine gender include the feminine or non-binary and, in each case, *vice versa*;

(xi) "day" or "days" refers to calendar days;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(xii) references to a Law include any amendment or modification to such Law and any rules or regulations issued thereunder, whether such amendment or modification is made, or issuance of such rules or regulations occurs, before or, only with respect to events or developments occurring or actions taken or conditions existing after the date of such amendment, modification or issuance, after the date of this Option Agreement, but only to the extent such amendment or modification, to the extent it occurs after the date hereof, does not have a retroactive effect;

(xiii) when reference is made to information or documentation that has been "made available," "provided" or "delivered" to FibroGen, that shall mean that such information was either contained in the Data Room at or prior to such time or delivered to FibroGen or its counsel via email or other means at or prior to such time; and

(xiv) the language of this Option Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party hereto.

Each Party represents that it has been represented by legal counsel in connection with this Option Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Option Agreement, the Parties agree that no presumption will apply against the Party which drafted such terms and provision.

ARTICLE 2
OPTION GRANT & OPTION PREMIUM; THE MERGER

Section 2.1. Option Grant & Option Premium.

(a) Fortis hereby grants FibroGen the exclusive Option to consummate the Merger pursuant to the terms and subject to the conditions of this Option Agreement. The Option shall not in and of itself entitle FibroGen to any voting rights, dividends, liquidation rights or other rights as a stockholder of Fortis.

(b) Concurrently with the execution and delivery of this Option Agreement by the Parties, FibroGen shall pay to Fortis, [*] the Option Premium.

Section 2.2. The Merger. Following the exercise of the Option by FibroGen in its sole discretion in accordance with Section 3.2, upon the terms and subject to the conditions set forth in this Option Agreement, at the Effective Time, Merger Sub shall be merged with and into Fortis in accordance with the DGCL. Following the Merger, the separate corporate existence of Merger Sub shall cease and Fortis shall continue as the surviving corporation (the "*Surviving Corporation*") and a wholly-owned Subsidiary of FibroGen.

Section 2.3. Closing. [*].

Section 2.4. Actions at the Closing.

(a) [*] Fortis shall deliver to FibroGen a statement including the following:

(i) a certificate of Fortis, executed by the Chief Executive Officer of Fortis, certifying that Schedule I is true, complete and correct in all respects on and as of the Closing Date, or if not, setting forth an amended Schedule I containing all corrections necessary to make Schedule I true, complete and correct in all respects on and as of the Closing Date, as so amended;

(ii) a schedule setting forth all Deal Fees, if any, payable in connection with Closing, including the recipient of such Deal Fees, copies of any final invoices that state the invoice is final and include wire transfer instructions or mailing address for payment to be made;

(iii) a schedule setting forth all Indebtedness, if any, including the Payoff Recipients and the wire transfer instructions or mailing address for payment to be made; and

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(iv) a schedule setting forth all Change of Control Payments, if any, including the recipient of such Change of Control Payments, the exact amounts to be paid (before applicable withholding Taxes, if any) to such recipient and the wire transfer instructions or mailing address for payment to be made, or indicating that such payments need to be paid through FibroGen's or the Surviving Corporation's payroll system.

(b) [*].

(c) [*].

(d) At the Closing, the Surviving Corporation shall cause the Merger to be consummated by filing with the Secretary of State of the State of Delaware a certificate of merger (the "*Certificate of Merger*") in substantially the form of Exhibit C attached hereto and executed in accordance with the relevant provisions of the DGCL.

Section 2.5. Effects of the Merger. The Merger shall have the effects set forth in this Option Agreement and the applicable provisions of the DGCL.

Section 2.6. Certificate of Incorporation and By-laws. At the Effective Time, the certificate of incorporation of the Surviving Corporation shall be amended and restated to be in the form attached hereto as Exhibit D and the By-laws of Merger Sub as in effect immediately prior to the Effective Time shall be the By-laws of the Surviving Corporation until amended, except that the name of the corporation set forth therein shall be changed to the name of Fortis.

Section 2.7. Directors and Officers of Surviving Corporation. The directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation immediately following the Effective Time, until the earlier of their resignation or removal or until their successors are duly elected and qualified. The officers of Merger Sub immediately prior to the Effective Time shall be the officers of the Surviving Corporation immediately following the Effective Time, until the earlier of their resignation or removal or until their successors are duly elected and qualified.

Section 2.8. Conversion of Capital Stock. On the terms and subject to the conditions set forth in this Option Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of FibroGen, Fortis, Merger Sub or any Fortis Shareholder:

(a) each issued and outstanding share of Merger Sub Common Stock shall be converted into and shall become one (1) share of common stock, par value $0.001 per share, of the Surviving Corporation;

(b) each share of Fortis Capital Stock that is held by Fortis as treasury stock or owned by Fortis or owned by FibroGen or any Subsidiary or Affiliate of FibroGen shall be canceled and retired and shall cease to exist and no consideration shall be delivered in exchange therefor;

(c) except as provided in Section 2.8(b), each share of Fortis Capital Stock then outstanding (including Restricted Stock, but not including the Dissenting Shares) shall be converted into the right to receive, without interest and subject to Section 2.11 and Section 2.12, the following cash payments (collectively, the "*Merger Consideration*"):

(i) each Seller's respective portion of the Estimated Closing Payment as set forth on Schedule I; and

(ii) [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.
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(d) The shares of Fortis Capital Stock converted into the right to receive cash in accordance with this Section 2.8 shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time represented any such shares (a "*Certificate*") shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration. The right of any holder of any share of Fortis Capital Stock to receive the Merger Consideration shall be subject to and reduced by the amount of any tax withholding that is required under applicable Law (which amount will be treated for all purposes of this Option Agreement as having been paid to the Person in respect of which such reduction and withholding was made), *provided* that, other than with respect to compensatory payments, FibroGen shall use [*] to cooperate with a holder of shares of Fortis Capital Stock to minimize or eliminate the amount withheld. If applicable Law requires the withholding of Taxes, FibroGen shall [*] submit to the applicable holder an official tax certificate or other evidence of such withholding that is reasonably available to FibroGen to enable such holder to claim such payment of Taxes from any applicable Governmental Entity. Notwithstanding the foregoing, if FibroGen takes any FibroGen Tax Action after the date of this Option Agreement, and solely as a result of such FibroGen Tax Action, FibroGen is required to withhold Taxes from or in respect of any amount payable under this Option Agreement and such Taxes exceed the amount of Taxes that would have been required to be withheld absent such FibroGen Tax Action, the amount payable under this Option Agreement shall be increased by the amount necessary so that after making all required withholdings (including withholdings on additional amounts payable) the applicable holder receives an amount equal to the sum it would have received had no such FibroGen Tax Action occurred. Notwithstanding the foregoing, FibroGen shall have no obligation to cooperate with any holder of Restricted Stock or submit any tax certificate or other evidence of withholding, and nothing herein shall prevent or limit FibroGen from withholding any compensatory amounts required to be withheld in respect of any Restricted Stock.

Section 2.9. Fortis Stock Options; Warrants.

(a) The board of directors of Fortis (or, if appropriate, any committee administering Fortis Stock Plans) shall take all actions necessary to provide for (i) each Fortis Stock Option to become vested and fully and immediately exercisable as of immediately prior to the Effective Time, and (ii) each share of Restricted Stock to become vested and not subject to repurchase as of immediately prior to the Effective Time.

(b) [*] (i) such Seller's respective portion of the Estimated Closing Payment as set forth on Schedule I, [*] (x) the holder thereof shall be eligible to receive the amounts contemplated by clause (ii) of the preceding sentence, as applicable; and (y) the Sellers' Representative shall, based on the information provided in Schedule I, [*], and promptly provide or cause to be provided the updated Schedule I to FibroGen and the Paying Agent.

(c) The board of directors of Fortis (or, if appropriate, any committee administering the Fortis Stock Plans) shall adopt such resolutions or take such other actions (including obtaining any required consents but not including the payment of any cash or non-cash consideration, without FibroGen's prior written consent) as may be required to effect the transactions described in this Section 2.9 as of the Effective Time. Fortis shall terminate the Fortis Stock Plan as of the Effective Time. At and after the Effective Time, no Person shall have any right under Fortis Stock Plans with respect to any Fortis Capital Stock, and FibroGen and its Affiliates shall have no liability in respect of the Fortis Stock Plan or any Fortis Stock Options or Restricted Stock, other than the obligation to make the payments set forth in Section 2.9(b).

(d) The Warrants shall not be assumed, continued or substituted by FibroGen in connection with the Merger or the other transactions contemplated hereby. [*]. [*].

Section 2.10. Paying Agent. In connection with the Closing, FibroGen, the Sellers' Representative and a paying agent reasonably acceptable to FibroGen and the Sellers' Representative (the "*Paying Agent*") shall have executed and delivered a paying agent agreement in a form reasonably acceptable to FibroGen and the Sellers' Representative (the "*Paying Agent Agreement*") pursuant to which the Paying Agent shall make the distributions of payments (including the Merger Consideration) for and on behalf of FibroGen and take the other actions contemplated to be made and taken by the Paying Agent pursuant to and in accordance with this Option Agreement.

Section 2.11. Exchange Procedures.

(a) As soon as practicable after the Effective Time, the Paying Agent shall provide to each Seller (other than holders in respect of Employee Stock Options) (i) a letter of transmittal in substantially the form attached as Exhibit E hereto (a "*Letter of Transmittal*") and (ii) instructions for use of the Letter of Transmittal in effecting the surrender of such Seller's shares of Fortis Capital Stock, Non-Employee Stock Options or Warrant(s) in exchange for the Merger Consideration to be paid in accordance with (A) Section 2.8(c) with respect to each of the shares of Fortis Capital Stock represented thereby, (B) Section 2.9(b) with respect to Non-Employee Stock Options and (C) Section 2.9(d) with respect to Warrants. Upon delivery of a Letter of Transmittal duly executed and completed in accordance with the instructions thereto and a properly executed Internal Revenue Service Form W-9 or Form W-8BEN, or other applicable Form W-8, if applicable, and, solely with respect to shares of Fortis Capital Stock, if such shares are represented by a physical Certificate, surrender of a Certificate with respect to such shares to the Paying Agent, from such holder, the Paying Agent shall pay, by check or by wire transfer of immediately available funds, to the holder of such shares of Fortis Capital Stock, Non-Employee Stock Options or Warrant(s) the cash payment described in Section 2.8(c)(i), Section 2.9(b)(i) or Section 2.9(d)(i) (with the aggregate amount payable to each Seller rounded up to the nearest [*]) into which the shares of Fortis Capital Stock, Non-Employee Stock Options or Warrant(s) were converted pursuant to Section 2.8(c), Section 2.9(b) or Section 2.9(d), as applicable, without any interest thereon. Any Certificates surrendered shall forthwith be canceled. Until so surrendered, such Certificates shall upon and following the Effective Time represent solely the right to receive the Merger Consideration with respect to the shares of Fortis Capital Stock, without interest. Notwithstanding anything in this Option Agreement to the contrary, no Seller (other than holders in respect of Employee Stock Options) will be entitled to be paid any amounts hereunder unless and until such Seller shall have complied with the requirements set forth in this Section 2.11(a), including due execution and delivery to the Paying Agent by such Seller of the Letter of Transmittal, which constitutes an integral component of and limitation on the payments hereunder. Notwithstanding the foregoing, FibroGen shall use [*] to cause (x) the Letter of Transmittal to be made available to each Seller (other than holders of Employee Stock Options), and (y) each such Seller's Letter of Transmittal to be reviewed and processed prior to the Effective Time, such that, so long as such Seller continues to hold the shares of Fortis Capital Stock, Non-Employee Stock Options or Warrants surrendered by such Letter of Transmittal as of immediately prior to the Effective Time, such Person will be paid the payment described in Section 2.8(c)(i), Section 2.9(b)(i) or Section 2.9(d)(i), as applicable, with respect to such Letter of Transmittal on the Closing Date, by check or by wire transfer of immediately available funds.

(b) If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed, FibroGen shall issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration with respect to the shares of Fortis Capital Stock represented thereby to be paid (by the Paying Agent) in accordance with Section 2.8(c) and as contemplated under this Article 2. Notwithstanding anything to the contrary in this Section 2.11, if any shares of Fortis Capital Stock are evidenced by an electronic certificate or book entry and not evidenced by any physical stock certificates, no Certificate shall be required to delivered to FibroGen or Paying Agent in order to receive the Merger Consideration payable in respect of such shares of Fortis Capital Stock.

Section 2.12. Sellers' Representative.

(a) By approving the Merger or by delivering a Letter of Transmittal and, if applicable, surrendering or delivering a Certificate or an affidavit in lieu thereof to the Paying Agent, in exchange for the Merger Consideration to be paid in accordance with Section 2.8 or Section 2.9, each Seller irrevocably approves the constitution and appointment of, and hereby irrevocably constitutes and appoints Shareholder Representative Services LLC as the sole, exclusive, true and lawful agent, representative and attorney-in-fact of all Sellers and each of them as of Closing (the "*Sellers' Representative*") with respect to any and all matters relating to, arising out of, or in connection with, this Option Agreement and any related agreements, including for purposes of taking any action or omitting to take any action on behalf of Sellers hereunder to:

(i) act for Sellers with regard to all matters pertaining to indemnification under this Option Agreement, including the power to defend, compromise, or settle any claims and to otherwise prosecute or pursue any litigation claims;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(ii) execute and deliver all amendments, waivers, Ancillary Agreements, certificates and documents that the Sellers' Representative deems necessary or appropriate in connection with the consummation of the transactions contemplated by this Option Agreement;

(iii) do or refrain from doing any further act or deed on behalf of Sellers that the Sellers' Representative deems necessary or appropriate in its discretion relating to the subject matter of this Option Agreement as fully and completely as Sellers could do if personally present;

(iv) give or receive notices to be given or received by Sellers under this Option Agreement or any Ancillary Agreement (except to the extent that this Option Agreement expressly contemplates that any such notice shall be given or received by each Seller individually);

(v) receive service of process in connection with any claims under this Option Agreement;

(vi) administer the defense or settlement of any disputes regarding the Closing Payment adjustment pursuant to Section 2.15 and agreeing to or negotiating the Final Closing Payment;

(vii) administer the defense or settlement of any disputes regarding the Contingent Payments pursuant to Section 2.13; and

(viii) give any written direction to the Paying Agent.

All actions, notices, communications and determinations by or on behalf of Sellers shall be given or made by the Sellers' Representative and all such actions, notices, communications and determinations by the Sellers' Representative shall conclusively be deemed to have been authorized by, and shall be binding upon, any of and all Sellers, and no Seller shall have the right to object, dissent, protest or otherwise contest the same.

(b) If the Sellers' Representative resigns, dies or becomes legally incapacitated, then a majority of the Sellers, based on their Pro Rata Percentage, promptly shall designate in writing to FibroGen a single individual to fill the Sellers' Representative vacancy as the successor Sellers' Representative hereunder. If at any time there shall not be a Sellers' Representative or Sellers fail to designate a successor Sellers' Representative, then FibroGen may have a court of competent jurisdiction appoint a Sellers' Representative hereunder. A majority of the Sellers, based on their Pro Rata Percentage, may also replace the Person serving as the Sellers' Representative from time to time and for any reason upon at least [*] prior written notice to FibroGen.

(c) Certain Sellers have entered into an engagement agreement with the Sellers' Representative to provide direction to the Sellers' Representative in connection with its services under this Option Agreement, the other Ancillary Agreements to which the Sellers' Representative is or will be a party. The Sellers' Representative shall act for Sellers on all of the matters set forth in this Option Agreement in the manner the Sellers' Representative reasonably believes to be in the best interest of Sellers. The Sellers' Representative is authorized to act on behalf of Sellers notwithstanding any dispute or disagreement among Sellers. In taking any actions as Sellers' Representative, the Sellers' Representative may rely conclusively, without any further inquiry or investigation, upon any certification or confirmation, oral or written, given by any Person the Sellers' Representative reasonably believes to be authorized thereunto. The Sellers' Representative will incur no liability in connection with its services pursuant to this Agreement and any related agreements except to the extent resulting from its gross negligence or willful misconduct. The Sellers' Representative shall not be liable for any action or omission pursuant to the advice of counsel. The Sellers shall indemnify the Sellers' Representative against any reasonable, documented, and out-of-pocket losses, liabilities and expenses ("*Representative Losses*") arising out of or in connection with this Agreement and any related agreements, in each case as such Representative Loss is suffered or incurred; provided, that in the event that any such Representative Loss is finally adjudicated to have been caused by the gross negligence or willful misconduct of the Sellers' Representative, the Sellers' Representative will reimburse the Sellers the amount of such indemnified Representative Loss to the extent attributable to such gross negligence or willful misconduct. Representative Losses may be recovered by the Sellers' Representative from (i) the funds in the Sellers' Representative Reserve and (ii) any other funds that become payable to the Sellers under this Agreement at such time as such amounts would otherwise be distributable to the Sellers; provided, that while the Sellers' Representative may be paid from the aforementioned sources of funds, this does not relieve the Sellers from their obligation to promptly pay such Representative Losses as they are suffered or incurred. In no event will the Sellers' Representative be required to advance its own funds on behalf of the Sellers or otherwise. Notwithstanding anything in this Agreement to the contrary, any restrictions or limitations on liability or indemnification obligations of, or provisions limiting the recourse against non-parties otherwise applicable to, the Sellers set forth elsewhere in this Agreement are not intended to be applicable to the indemnities provided to the Sellers' Representative hereunder. The foregoing indemnities will survive the Closing, the resignation or removal of the Sellers' Representative or the termination of this Agreement.

(d) The Sellers' Representative shall treat confidentially any nonpublic information disclosed to it pursuant to this Option Agreement and shall not use such nonpublic information other than in the performance of its duties as the Sellers' Representative. In addition, the Sellers' Representative shall not disclose any nonpublic information disclosed to it pursuant to this Option Agreement to anyone except as required by Law; *provided* that (i) the Sellers' Representative may disclose such nonpublic information to legal counsel and other advisors and representatives under an obligation of confidentiality and non-use in its capacity as such (for the purpose of advising Sellers on any information disclosed to such Sellers' Representative pursuant to this Option Agreement), (ii) the Sellers' Representative (or legal counsel or other advisor to whom information is disclosed pursuant to clause (i) above) may disclose such nonpublic information in any Action relating to this Option Agreement or the transactions contemplated hereby (or, in either case, discussion in preparation therefor) any information disclosed to the Sellers' Representative pursuant to this Option Agreement and (iii) the Sellers' Representative may disclose to any Seller any such nonpublic information disclosed to the Sellers' Representative (including any Update Report) subject to such Seller agreeing with FibroGen in writing to restrictions on the disclosure and use of such nonpublic information consistent with the restrictions to which the Sellers' Representative is subject, which requirement shall be satisfied by a Seller's execution of a Joinder.

(e) FibroGen shall be entitled to rely on the authority of the Sellers' Representative as the agent, representative and attorney-in-fact of Sellers for all purposes under this Option Agreement and shall have no Liability for any such reliance. No Seller may revoke the authority of the Sellers' Representative. Each Seller, by voting in favor of or consenting to the Merger or by surrendering or delivering a Certificate or an affidavit in lieu thereof to the Paying Agent, in exchange for Merger Consideration hereby ratifies and confirms, and hereby agrees to ratify and confirm, any action taken by the Sellers' Representative in the exercise of the power-of-attorney granted to the Sellers' Representative pursuant to this Section 2.12, which power-of-attorney, being coupled with an interest, is irrevocable and shall survive the death, incapacity or incompetence of such Seller.

(f) [*].

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 2.13. Contingent Payments.

(a) In addition to the Closing Payment payable pursuant to Section 2.8(c)(i), Sellers may be entitled to certain additional contingent payments from FibroGen after the Closing (each such additional payment, a "*Contingent Payment*"), subject to all the terms and conditions of this Section 2.13.

(b) FibroGen shall make the Contingent Payments in the amounts set forth in Column B of the table below [*] (each, a "*Contingent Payment Development Milestone*"):

Column A - Contingent Payment Development Milestone	***Column B - Contingent Payment***
[*]	[*]
[*]	[*]
[*]	[*]

Each of the Contingent Payments set forth in this Section 2.13(b) is only payable once such that the maximum amount payable pursuant to this Section 2.13 is $200 million. Within [*] of the occurrence of any Contingent Payment Development Milestone set forth in this Section 2.13(b), FibroGen shall provide written notice to the Sellers' Representative that such Contingent Payment Development Milestone has occurred. As soon as reasonably possible after receiving such notice, the Sellers' Representative shall send FibroGen an updated Schedule I. Within [*] of an updated Schedule I from the Sellers' Representative, FibroGen shall pay, or shall cause to be paid through the Paying Agent (or the Surviving Corporation in the case of Employee Stock Options), to Sellers that have complied with the procedures set forth in Section 2.11, if applicable (it being understood that the procedures set forth in Section 2.11 are not applicable to holders of Employee Stock Options), an aggregate amount in cash equal to the amount of the applicable Contingent Payment in accordance with their Pro Rata Percentage set forth in Schedule I (*less* any applicable Contingent Payment Deal Fees) which, subject to the following sentence. [*].

(c) Each Seller shall be entitled to receive only such Seller's Pro Rata Percentage of any Contingent Payment (*less* any applicable Contingent Payment Deal Fees) that becomes due and payable in accordance with this Section 2.13.

(d) No interest shall accrue or be paid on any portion of any Contingent Payment.

(e) [*]. Except as set forth in the first sentence of this Section 2.13(e), by voting in favor of or consenting to the Merger or by surrendering or delivering a Letter of Transmittal to the Paying Agent, in exchange for Merger Consideration, each Seller acknowledges that, following the Closing, (a) there shall be no other diligence or other efforts, express or implied, required or imposed on the part of FibroGen, the Surviving Corporation or their respective Affiliates, licensees, or sublicensees in, and (b) it is the intention of the Parties that the development, manufacturing, marketing, commercial exploitation and sale of any Products shall be exercised by FibroGen, the Surviving Corporation or their Affiliates, licensees, sublicensees and transferees in accordance with its or their own business judgment and in their sole and absolute discretion, subject only to the first sentence of this Section 2.13(e). By voting in favor of or consenting to the Merger or by surrendering or delivering a Letter of Transmittal to the Paying Agent, in exchange for Merger Consideration, each Seller acknowledges, understands and agrees as follows:

(i) Except as set forth in the first sentence of this Section 2.13(e), FibroGen, the Surviving Corporation and their Affiliates, licensees, sublicensees and transferees shall have complete control and sole discretion with respect to the development, commercial exploitation, marketing and sale of Products, and that this may have a material effect upon the achievability of the Contingent Payment Development Milestones and the payment of the Contingent Payments that may be payable hereunder and such control and discretion by FibroGen, the Surviving Corporation and their Affiliates, licensees, sublicensees and transferees could result in some or all of the Contingent Payments not being made despite meeting the obligation set forth in the first sentence of this Section 2.13(e). The Parties and the Sellers acknowledge that the achievement of the Contingent Payment Development Milestones is uncertain and that FibroGen, the Surviving Corporation and their Affiliates may not achieve results requiring the payment of any Contingent Payment at all, and it is therefore not assured that FibroGen will be required to pay any Contingent Payments;

(ii) That whether or not FibroGen, the Surviving Corporation or any of their Affiliates, licensees, sublicensees or transferees develop, market, commercially exploit or make any sales of any Product, FibroGen, the Surviving Corporation and their Affiliates, licensees, sublicensees or transferees are not prohibited from developing, manufacturing, marketing, selling or acquiring assets or businesses related to other products that may compete with a Product;

(iii) Neither FibroGen nor any of its Affiliates or Representatives has furnished or provided, whether written or oral, any assurance or commitments regarding the achievability of the condition to the payment of any of the Contingent Payments set forth in this Section 2.13 or the likelihood thereof, and each Seller expressly disclaims any rights with respect to any such assurances or commitments;

(iv) Neither FibroGen, the Surviving Corporation nor any of their Affiliates shall be liable to any Seller for any consequential or punitive damages arising out of the failure to satisfy the conditions to the payment of any Contingent Payment set forth in Section 2.13, whether Liability is asserted in tort or contract, or otherwise.

(f) [*].

(g) [*] (each such report, an "*Update Report*"); *provided*, *however,* that if development of all Products has been discontinued, then no further Update Report shall be required other than the Update Report detailing such discontinuation. Within [*], if the Sellers' Representative has reasonable inquiries regarding the status of the activities described in such Update Report, the Sellers' Representative may request a meeting with FibroGen to discuss such Update Report, and FibroGen shall make available an executive employee with appropriate expertise and knowledge of the activities undertaken to achieve the Contingent Payment Development Milestones, as FibroGen may reasonably deem appropriate, to respond to questions posed by the Seller's Representative. [*].

(h) FibroGen shall be permitted to make any withholding or deduction required by Law from payments made under this Option Agreement; [*]. To the extent that any such amounts are so deducted or withheld and remitted to the appropriate Governmental Entity in accordance with applicable Law, such amounts will be treated for all purposes of this Option Agreement as having been paid to the Person in respect of which such deduction and withholding was made. If applicable Law requires the withholding of Taxes, FibroGen shall [*] submit to the applicable payee an official tax certificate or other evidence of such withholding that is reasonably available to FibroGen to enable such holder to claim such payment of Taxes from any applicable Governmental Entity. Notwithstanding the foregoing, if FibroGen takes any FibroGen Tax Action after the date of this Option Agreement, and solely as a result of such FibroGen Tax Action, FibroGen is required to withhold Taxes from or in respect of any amount payable under this Option Agreement and such Taxes exceed the amount of Taxes that would have been required to be withheld absent such FibroGen Tax Action, the amount payable under this Option Agreement shall be increased by the amount necessary so that after making all required withholdings (including withholdings on additional amounts payable) the applicable holder receives an amount equal to the sum it would have received had no such FibroGen Tax Action occurred.

(i) After the Closing, no Seller may sell, exchange, transfer or otherwise dispose of his, her or its right to receive any portion of any Contingent Payments that becomes due and payable in accordance with this Section 2.13, other than (i) upon death by will or intestacy; (ii) by instrument to an inter vivos or testamentary trust in which the right to receive any Contingent Payments or portion thereof is to be passed to beneficiaries upon the death of the trustee; (iii) made pursuant to a court order; (iv) made by operation of law (including a consolidation or merger) or without consideration in connection with the dissolution, liquidation or termination of any corporation, limited liability company, partnership or other entity; (v) in the case of Contingent Payments payable to a nominee, from a nominee to a beneficial owner (and, if applicable, through an intermediary) or from such nominee to another nominee for the same beneficial owner, in each as allowable by the Depositary Trust Company; (vi) in the case of an entity, to any Affiliate of such entity; or (vii) to any Person, with FibroGen's consent (which shall not be unreasonably withheld, conditioned or delayed). Any transfer in violation of this Section 2.13(i) shall be null and void and shall not be recognized by FibroGen or the Surviving Corporation.

(j) Subject to Section 483 of the Code or as otherwise required by law, any payments made pursuant to this Section 2.13 shall be treated by the Parties as an adjustment to the purchase price for Tax purposes.

Section 2.14. Close of Stock Transfer Books. [*], the stock transfer books of Fortis shall be closed and thereafter there shall be no further registration of transfers of shares of Fortis Capital Stock on the records of Fortis. [*], no shares of Fortis Capital Stock shall be deemed to be outstanding, and the holders of shares of Fortis Capital Stock immediately prior to the Effective Time shall cease to have any rights with respect to such shares, except as otherwise provided herein or by applicable Law.

Section 2.15. Post-Closing Adjustment.

(a) [*] Fortis shall provide to FibroGen an estimated Closing Balance Sheet (the "*Estimated Closing Balance Sheet*") and a statement that sets forth its good faith calculations of the Closing Liability Amount (the "*Estimated Closing Liability Amount*"), including each component thereof, the Cash Amount (the "*Estimated Closing Cash Amount*"), and Closing Working Capital Adjustment (the "*Estimated Closing Working Capital Adjustment*"), and the resulting calculation of the Closing Payment ("*Estimated Closing Payment*"), each of which shall be determined in accordance with GAAP, and, to the extent in conformance with GAAP, applied in a manner consistent with the principles, practices, procedures, policies and methods used by Fortis in the preparation of the Latest Balance Sheet (the "*Estimated Closing Statement*"). [*] of the Estimated Closing Statement, Fortis shall provide to FibroGen, and its authorized representatives, reasonable access to all records used in preparing such Estimated Closing Statement (and employees of Fortis who can adequately answer questions on the Estimated Closing Statement) and, if applicable, Fortis' outside accountants and their work papers and other documents used in preparing such Estimated Closing Statement, subject to FibroGen's execution of customary access and non-reliance letters.

(b) [*] FibroGen shall prepare or cause to be prepared and delivered to the Sellers' Representative a Closing Balance Sheet and a statement (the "*Adjusted Closing Statement*") setting forth FibroGen's good faith calculation of the Closing Liability Amount, including each component thereof, the Cash Amount, and the Closing Working Capital Adjustment, and the resulting calculation of the Closing Payment, which shall be determined in accordance with GAAP, applied in a manner consistent with the preparation, assumptions and estimates made or used in the preparation of the Latest Balance Sheet.

(c) The Sellers' Representative will have a period [*] (the "*Objection Period*") to notify FibroGen of any disagreements with FibroGen's Adjusted Closing Statement. Any such notice shall be accompanied by supporting documentation containing reasonable detail. Failure to notify FibroGen within the Objection Period shall be deemed acceptance of FibroGen's Adjusted Closing Statement, and upon the expiration of the Objection Period the Adjusted Closing Statement shall be final, conclusive and binding on the Parties. [*].

(d) [*].

(e) [*] (the "*Negative Adjustment Amount*").

(f) If the Aggregate Closing Merger Consideration Adjustment Amount is positive, then the Sellers shall be entitled (after complying with the requirements described in Section 2.11(a)) to receive, pursuant to Section 2.15(g), their Pro Rata Percentages of an aggregate amount equal to the Aggregate Closing Merger Consideration Adjustment Amount (the "*Positive Adjustment Amount*").

(g) [*]

Section 2.16. Dissenting Shares.

(a) Notwithstanding anything in this Option Agreement to the contrary, any shares of Fortis Capital Stock outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger, consented thereto in writing or otherwise contractually waived its rights to appraisal and who has exercised and perfected appraisal or dissenters rights for such shares in accordance with Section 262 of the DGCL or Section 2115 and Chapter 13 of the CGCL and has not effectively withdrawn or lost such appraisal or dissenters rights (collectively, the "*Dissenting Shares*") shall not be converted into or represent the right to consideration for Fortis Capital Stock set forth in Section 2.8 and the holder or holders of such shares shall be entitled only to such rights as may be granted to such holder or holders in Section 262 of the DGCL or the CGCL.

(b) At the Effective Time, the Dissenting Shares shall no longer be outstanding and shall automatically be cancelled and shall cease to exist, and each holder of Dissenting Shares shall cease to have any rights with respect thereto, except the right to receive the appraised value of such shares in accordance with the provisions of Section 262 of the DGCL or the CGCL**.** Notwithstanding the provisions of Section 2.16(a), if any holder of Dissenting Shares shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's appraisal rights and dissenters rights under Section 262 of the DGCL or the CGCL, or a court of competent jurisdiction shall determine that such holder is not entitled to relief provided under Section 262 of the DGCL or the CGCL, then, as of the later of the Effective Time and the occurrence of such event, such holder's shares of Fortis Capital Stock shall automatically be converted into and represent only the right to receive the consideration for Fortis Capital Stock set forth in Section 2.8, without interest, following surrender of the Certificate representing such shares (if any) in the manner provided in Section 2.11 or, in the case of a lost, stolen, mutilated, defaced or destroyed Certificate, upon delivery of the documents, if required, described in Section 2.11(b). Fortis shall give FibroGen prompt notice of any written demands for appraisal, withdrawals of demands for appraisal and any other related instruments served pursuant to the DGCL or the CGCL and received by Fortis, and FibroGen shall have the right to participate in proceedings with respect to such demands. Fortis shall not, except with the prior written consent of FibroGen which shall be not unreasonably withheld, delayed or conditioned, voluntarily make any payment with respect to any demand for appraisal or settle or offer to settle any such demand.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

ARTICLE 3
OPTION EXERCISE

Section 3.1. Notices; Updated Financial Statements.

(a) [*], Fortis shall notify FibroGen in writing (with email being sufficient) of the occurrence of any event or condition or the existence of any fact [*]that may reasonably be expected to cause any of the conditions to the obligations of FibroGen to consummate the Merger set forth in Section 4.2 not to be satisfied ("*Periodic Updates*"). If FibroGen delivers the Exercise Notice to Fortis during the Option Period, Fortis shall, within [*] of the Exercise Notice, deliver to FibroGen a revised Disclosure Schedule (the "*Updated Disclosure Schedule*") reflecting the Periodic Updates and any other changes to the Disclosure Schedule delivered on the date of this Option Agreement arising from the occurrence of any event or condition or the existence of any fact during the Option Period required to make such Disclosure Schedule and Fortis's representations and warranties contained in Article 5 true, complete and correct in all respects on and as of the Final Exercise Date as though made as of the Final Exercise Date; *provided*, that, Fortis may further update the Updated Disclosure Schedule prior to the delivery of the Final Exercise Notice in the same manner; *provided*, *further*, that if the events, conditions or facts described in a Periodic Update or an Updated Disclosure Schedule (or update thereto) (i) are not the result of a breach by Fortis of Section 7.1(b) and (ii) do not result in the breach or inaccuracy of a Fundamental Representation, subject to Section 5.4(j) (Capitalization) (collectively, "*Disclosed Events*"), then the contents of such Periodic Update or Updated Disclosure Schedule (or update thereto) shall be deemed to amend and supplement the Disclosure Schedule and will not give FibroGen any right to indemnification pursuant to Article 9 arising therefrom.

(b) In connection with the delivery of the Updated Disclosure Schedule, Fortis shall make available to FibroGen copies of all Contracts or other documents referenced in such Updated Disclosure Schedule, and shall provide to FibroGen any information reasonably requested by FibroGen in order to evaluate the information disclosed in the Updated Disclosure Schedule.

(c) No later than [*] of Fortis, Fortis shall deliver to FibroGen a statement setting forth the unaudited balance sheet of Fortis as of the such fiscal year-end, together with the unaudited statements of income, cash flows and changes in stockholders' equity as of each of such fiscal year-ends, together with the footnotes thereto. Not later than [*] of Fortis, Fortis shall deliver to FibroGen a statement setting forth the balance sheet and statements of income, changes in stockholders' equity and cash flows of Fortis as of and for the [*] (such statements, together with the financial statements described in the immediately preceding sentence, being referred to collectively as the "*Updated Financial Statements*"). The Updated Financial Statements (i) shall be prepared from the books and records of Fortis and shall be consistent with the books and records of Fortis, (ii) shall be prepared in accordance with GAAP, consistently followed throughout the periods indicated, (iii) shall be unaudited and (iv) shall present fairly, in all material respects, the financial condition, results of operations, stockholders' equity and cash flows of Fortis, as of the respective dates thereof and for the periods referred to therein.

(d) If FibroGen has delivered the Exercise Notice to Fortis, FibroGen shall have [*] following Fortis' delivery of the Updated Disclosure Schedule to review the Updated Disclosure Schedule (the "*Due Diligence Review Period*"; *provided*, that if any update to the Updated Disclosure Schedule is delivered by Fortis during the last [*] of the Due Diligence Review Period pursuant to Section 3.1(a), the Due Diligence Review Period shall be extended until the date that is [*] of such update to the Updated Disclosure Schedule), (i) Fortis, and Fortis' employees, consultants and advisers, shall promptly respond to any reasonable due diligence requests from FibroGen, and (ii) Fortis shall during normal business hours and upon reasonable advanced written notice (A) make available for reasonable inspection by FibroGen and its Representatives all of Fortis' properties, assets, books of accounts, records (including the work papers of Fortis' independent accountants, subject to the execution of customary access letters), any and all data and Intellectual Property related to the Products, and Contracts and any other materials requested by any of them relating to Fortis and its existing businesses and assets and Liabilities at such times as FibroGen may reasonably request and (B) make available to FibroGen and its Representatives the officers, other senior management and Representatives of Fortis, at such times as FibroGen and its Representatives may reasonably request, to verify and discuss the information furnished to FibroGen and its Representatives; *provided*, *however*, that in no event shall Fortis be required to (1) contravene or violate any applicable Law, (2) breach its confidentiality obligations to Third Parties or (3) waive any attorney-client privilege; *provided*, *further*, that with respect to subclause (2) above, Fortis will use [*] to obtain any necessary consents from Third Parties to disclose such information. Any and all such inspections and access shall be conducted in a manner that does not unreasonably interfere with the conduct of the business of Fortis.

(e) If FibroGen determines in good faith that, if FibroGen were to decide to consummate the transactions contemplated hereby, it would be reasonably likely to be required to file with the SEC pursuant to Rule 3-05 of Regulation S-X audited annual financial statements of Fortis (the "*SEC Audited Financials*") and unaudited quarterly financial statements of Fortis (the "*SEC Unaudited Financials*") for periods specified by Rule 3-05 of Regulation S-X (any SEC Audited Financials together with any SEC Unaudited Financials, the "*SEC Financials*"), FibroGen will provide written notice of such requirement at [*] to be filed with the SEC, and Fortis will use [*] to deliver to FibroGen as soon as reasonably practicable, the SEC Financials. The SEC Financials will be (a) prepared in accordance with the books and records of Fortis, (b) prepared in accordance with Regulation S-X and GAAP and (c) in the case of the SEC Audited Financials, accompanied by an opinion of an independent public accounting firm (the "*S-X Auditor*"), which opinion complies with Regulation S-X (the "*Audit Opinion*"). FibroGen shall pay for all costs and expenses incurred by Fortis in connection with the preparation of the SEC Financials, including the fees and expenses of the S-X Auditor and any independent contractor or consultant of Fortis or any of its Affiliates. Notwithstanding anything in this Option Agreement to the contrary, the delivery of the SEC Financials by Fortis to FibroGen shall not be a condition to FibroGen's obligation to effect the Merger.

Section 3.2. Option Exercise.

(a) Fortis and Sellers acknowledge and agree that this Option Agreement is intended to afford FibroGen a fully-paid option to proceed with the Merger or to not proceed with the Merger in the Option Period, in the sole discretion of FibroGen. FibroGen may make an election to exercise the Option [*]. Such exercise shall be made by FibroGen delivering to Fortis written notice of such exercise in the form of Exhibit F before the Option Exercise Deadline (such notice, the "*Exercise Notice*") and a subsequent Final Exercise Notice pursuant to Section 3.2(b). Fortis acknowledges and agrees that the delivery of the Exercise Notice does not in any way commit FibroGen to proceed with the Merger and is only a then-present statement to proceed with the Merger and to initiate pre-Closing actions by the Parties.

(b) FibroGen may withdraw an Exercise Notice at any time prior to the Closing, *provided* that FibroGen shall be permitted to exercise such withdrawal right only once. After review of the Updated Disclosure Schedule, FibroGen shall deliver written notice to Fortis [*] of its intention to either (i) withdraw the Exercise Notice and not proceed with the Merger ("*Rejection Notice*") or (ii) proceed with the Merger (the "*Final Exercise Notice*"; and the date on which such notice is delivered, the "*Final Exercise Date*"). If FibroGen does not deliver a Final Exercise Notice or a Rejection Notice prior to the expiration of the Due Diligence Review Period, then FibroGen shall be deemed to have sent a Rejection Notice.

(c) FibroGen shall be permitted to deliver the Exercise Notice [*]. If FibroGen withdraws the Exercise Notice [*] or sends (or is deemed to have sent) a Rejection Notice pursuant to Section 3.2(b), this Agreement shall automatically terminate.

(d) Subject to the remedies set forth in Section 10.2, FibroGen's withdrawal of the Exercise Notice, delivery of a Rejection Notice, or failure to deliver the Exercise Notice, shall not result in any Liability by FibroGen to Fortis or to the holders of Fortis Stock Options, Warrants or Fortis Capital Stock for any reason.

(e) For the avoidance of doubt, [*] then the Closing may occur after the Option Exercise Deadline in accordance with the terms of this Option Agreement, subject to FibroGen's right to withdraw such Exercise Notice (if it has not previously withdrawn an Exercise Notice) before the Closing.

ARTICLE 4
CLOSING CONDITIONS

Section 4.1. Conditions to Fortis' Obligation. The obligation of Fortis to effect the Merger following delivery of the Final Exercise Notice is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Antitrust. Any waiting period (or extension thereof) applicable to the Merger under the HSR Act shall have been terminated or shall have expired.

(b) No Injunction or Legal Restraint. No temporary restraining order, preliminary or permanent injunction or other order or decree issued by any court of competent jurisdiction (other than any such orders, injunctions or decrees issued due to any Action commenced by or on behalf of Fortis, any Fortis Equityholder or the Sellers' Representative) which has the effect of preventing the consummation of the Merger shall be in effect.

Section 4.2. Conditions to FibroGen's Obligation. FibroGen has no obligation to consummate the transactions contemplated by this Option Agreement at any time prior to FibroGen's delivery of the Final Exercise Notice to Fortis. The obligation of FibroGen to effect the Merger following delivery of the Final Exercise Notice is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) No Injunction or Legal Restraint. The conditions described in Section 4.1(b).

(b) Compliance Certificate. Fortis shall deliver to FibroGen a certificate in the form attached as Exhibit G (the "*Fortis Compliance Certificate*"), dated as of the Closing Date, executed by an authorized officer of Fortis, certifying (i) (A) that the representations and warranties of Fortis set forth in this Option Agreement that are qualified as to materiality (including the definition of Material Adverse Change) or that are Fundamental Representations (except for the Fundamental Representations set forth in Section 5.4(a), Section 5.4(b), Section 5.4(c), and Section 5.4(e) and Section 5.4(f) (Capitalization) and Section 5.16 (Taxes)) shall be true and accurate in all respects, (B) the Fundamental Representations set forth in Section 5.4(a), Section 5.4(b), Section 5.4(c), and Section 5.4(e) and Section 5.4(f) (Capitalization), in each case subject to Section 5.4(j), shall be true and accurate in all respects, except for *de minimis* inaccuracies, and (C) all other representations and warranties of Fortis set forth in Article 5 of this Option Agreement (including Section 5.16 (Taxes)) shall be true and accurate in all material respects, in each case as of the date of this Option Agreement and as of the Closing Date with the same effect as though made as of the Closing Date, except that the accuracy of representations and warranties that by their terms speak as of a specified date will be determined as of such date, (ii) to Fortis' compliance in all material respects with all covenants, obligations and agreements of Fortis required to be performed or complied with by Fortis on or before the Closing Date, and (iii) that no Material Adverse Change of a nature described in Section 4.2(h) has occurred; in the case of clause (i) and (ii) above, except to the extent disclosed in any written notice delivered to FibroGen prior to the Closing Date or in the Updated Disclosure Schedule.

(c) Governmental Consents and Approvals. Fortis shall deliver evidence that all consents of Governmental Entities set forth on Schedule 4.2(c) have been obtained or made, and are in full force and effect.

(d) Contractual Consents and Approvals. Fortis shall deliver evidence that Fortis has obtained all consents and approvals of third parties set forth in Section 4.2(d) of the Disclosure Schedule (other than any such consent or approval under a Contract that has terminated prior to the Closing).

(e) FIRPTA Certificate. Fortis shall deliver a certificate dated the Closing Date pursuant to Treasury Regulations 1.897-2(h) (as described in Treasury Regulations 1.1445-2(c)(3)) stating that Fortis is not, and [*] was not, a U.S. real property holding corporation as defined in Section 897 of the Code.

(f) Termination of Stockholder Agreements. Fortis shall deliver to FibroGen evidence reasonably satisfactory to FibroGen of the termination of the Stockholder Agreements.

(g) Assignment of [*]. Fortis shall deliver to FibroGen evidence reasonably satisfactory to FibroGen of the assignment by [*] to Fortis of that certain [*].

(h) No Material Adverse Change. No Material Adverse Change shall have occurred after the delivery of the Updated Disclosure Schedule by Fortis to FibroGen that is continuing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF FORTIS

Fortis represents and warrants to FibroGen that except as disclosed by Fortis in the Disclosure Schedule delivered on the date hereof and as may be updated by the Updated Disclosure Schedule pursuant to Section 3.1(a).

Section 5.1. Organization and Standing; No Subsidiaries.

(a) Fortis (i) is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware; (ii) has all requisite corporate power and authority necessary to enable it to use its corporate or other name and to own or lease or otherwise hold and operate its assets and properties and to carry on its business as now being conducted; and (iii) is duly qualified, licensed or registered to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties makes such qualification, licensing or registration necessary (except where such failure to be so qualified, licensed or registered would not reasonably be expected to result in a Material Adverse Change). Fortis has made available to FibroGen true, complete and correct copies of its Constitutive Documents, as amended, as in effect as of the date of this Option Agreement.

(b) Fortis has no, and has never had, any Subsidiaries. Fortis does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, limited liability company, joint venture or other business association or entity.

Section 5.2. Power and Authority; Binding Agreement. Subject to obtaining Shareholder Approval, Fortis has all requisite corporate power and authority to execute and deliver this Option Agreement and to consummate the Merger and the other transactions contemplated hereby and to perform its obligations hereunder. The execution and delivery by Fortis of this Option Agreement and the consummation by Fortis of the Merger and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Fortis, and no other proceedings on the part of Fortis are necessary to authorize this Option Agreement or to consummate the Merger and the other transactions contemplated hereby other than (a) the Shareholder Approval, (b) the filing of the Certificate of Merger with the office of the Secretary of State of the State of Delaware, (c) the filing of a premerger notification and report form under the HSR Act, if necessary, and (d) such other material consents, approvals, orders, authorizations, registrations, declarations, filings and notices set forth on Section 5.5 of the Disclosure Schedule, if any. This Option Agreement has been duly executed and delivered by Fortis and, assuming the due authorization, execution and delivery by the other Parties, constitutes a valid, legal and binding obligation of Fortis, Enforceable against Fortis.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 5.3. Authorization.

(a) The board of directors of Fortis, at a meeting duly called and held at which all directors of Fortis were present or pursuant to an action by written consent, duly and unanimously adopted resolutions (i) approving and declaring advisable the Merger, this Option Agreement and the other transactions contemplated hereby; (ii) determining that the Merger Consideration is fair to Fortis Shareholders and declaring that the Merger, this Option Agreement and the other transactions contemplated hereby are in the best interests of Fortis Shareholders; (iii) adopting this Option Agreement; (iv) authorizing Fortis to enter into this Option Agreement and to consummate the Merger and the other transactions contemplated hereby, on the terms and subject to the conditions set forth in this Option Agreement; (v) directing that the Merger and this Option Agreement be submitted to Fortis Shareholders at a meeting or by written consent in lieu of a meeting for a vote for adopting this Option Agreement and approving the Merger; and (vi) recommending that Fortis Shareholders vote to approve and adopt this Option Agreement and approve the Merger.

(b) The only votes or consent of holders of any class or series of Fortis Capital Stock necessary to approve and adopt the Merger, this Option Agreement and the other transactions contemplated hereby are the affirmative votes or consent of (i) the holders of at least [*] of the outstanding shares of Fortis Preferred Stock and (ii) the holders of at least a [*] of the outstanding shares of Fortis Common Stock on an as-converted to Fortis Common Stock basis (collectively, the "*Shareholder Approval*").

Section 5.4. Capitalization.

(a) Section 5.4(a) of the Disclosure Schedule sets forth the authorized Capital Stock of Fortis, including the number of (i) authorized and (ii) issued and outstanding shares of the following: (A) common stock, $0.0001 par value per share, including Restricted Stock (the "*Fortis Common Stock*"), and (B) Series A preferred stock, $0.0001 par value per share (the "*Fortis Preferred Stock*"). The rights, preferences, privileges and restrictions of Fortis Preferred Stock are as stated in the Constitutive Documents of Fortis. Section 5.4(a) of the Disclosure Schedule sets forth the number of shares of Fortis Common Stock: (x) reserved for issuance under the Fortis Stock Plan, (y) subject to Fortis Stock Options currently outstanding under the Fortis Stock Plan and (z) that remain available for future issuance under the Fortis Stock Plan. The information in subclauses (c) and (d) of the defined term "*Schedule I*" (as may be updated pursuant to this Agreement prior to any applicable payment hereunder) is true, complete and correct as of the date of any payment required hereunder except for *de minimis* inaccuracies.

(b) Section 5.4(b) of the Disclosure Schedule sets forth a true, complete and accurate list of the holders of Fortis Capital Stock, showing the number of shares of such Capital Stock, and the class or series of such shares, held by each such shareholder, whether such shares are Restricted Stock (and, if so, whether such shares are subject to a valid election under Section 83(b) of the Code) and, with respect to shares other than Fortis Common Stock, the number of shares of Fortis Common Stock (if any) into which such shares are convertible. All Restricted Stock was issued in connection with the early exercise of Fortis Stock Options granted under the Fortis Stock Plan, and all obligations with respect to Taxes owed by Fortis relating to the Restricted Stock have been satisfied in full. Fortis holds no shares of Fortis Capital Stock in its treasury. All of the issued and outstanding shares of Fortis Capital Stock have been offered, issued and sold by Fortis in all material respects in compliance with all applicable federal and state securities Laws.

(c) Other than the Fortis Capital Stock, Fortis Stock Options and Warrants set forth on the Capitalization Table, there are no outstanding options, warrants, rights (including conversion rights, preemptive rights, co-sale rights, rights of first refusal or other similar rights) or agreements for the purchase or acquisition from Fortis of any shares of Fortis Capital Stock.

(d) All of the outstanding shares of Fortis Capital Stock have been duly authorized and validly issued, and are fully paid and nonassessable. [*], the shares of Fortis Capital Stock owned as of the date hereof by each record holder listed on Section 5.4(b) of the Disclosure Schedule are owned free and clear of all Liens.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(e) Section 5.4(e) of the Disclosure Schedule (together with Section 5.4(a) and Section 5.4(b) of the Disclosure Schedule, the "*Capitalization Table*") sets forth a true, complete and accurate list of (i) all holders of outstanding Fortis Stock Options, indicating, with respect to each Fortis Stock Option, the name of the holder thereof, the number of shares of Fortis Common Stock subject to such Fortis Stock Option, the exercise price, date of grant, and vesting schedule, including any accelerated vesting conditions, and whether such Fortis Stock Option is intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code; and (ii) all holders of outstanding Warrants, indicating, with respect to each Warrant, the number of shares of Fortis Capital Stock, and the class or series of such shares subject to such Warrant, the exercise price, the date of issuance and the expiration date thereof.

(f) There is no outstanding Fortis Stock Option that has not been granted under the Fortis Stock Plan. Fortis has made available to FibroGen true, complete and correct copies of the Fortis Stock Plan and all Contracts evidencing Fortis Stock Options and Warrants. All of the shares of Fortis Capital Stock subject to Fortis Stock Options and Warrants will be, upon issuance pursuant to the exercise of such Contracts and the Fortis Stock Plan, duly authorized, validly issued, fully paid and nonassessable. No Fortis Stock Option is exercisable for any class or series of Fortis Capital Stock other than Fortis Common Stock. Each Fortis Stock Option (A) was granted in compliance in all material respects with all applicable Law and all terms and conditions of the Fortis Stock Plan, (B) has an exercise price per share of Fortis Common Stock equal to or greater than the fair market value of a share of Fortis Common Stock on the date of such grant, (C) is otherwise exempt from the requirements of Section 409A of the Code, and (D) has a grant date identical to the date on which the board of directors of Fortis (or the appropriate committee thereof) actually approved the Fortis Stock Option.

(g) None of the shares of Fortis Capital Stock have been issued in violation of any subscription, Warrant, option, call, commitment, right of first refusal, preemptive right, conversion right, Fortis Stock Option, convertible security or other similar right, or any Contract to which Fortis is subject, bound or a party or otherwise. Except for the Fortis Stock Options, Restricted Stock and Warrants set forth on the Capitalization Table, none of the shares of Fortis Capital Stock are subject to any subscription, warrant, option, call, commitment, right of first refusal, preemptive right, conversion right or other similar right under any Law, or any Contract to which Fortis is subject, bound or a party or otherwise. Fortis has no obligation (contingent or otherwise) to grant, issue or otherwise sell any subscription, warrant, option, call, commitment, right of first refusal, preemptive right, Fortis Stock Option, convertible security, "phantom" stock right or other similar right, or to grant, issue, distribute or otherwise sell to holders of any shares of its Capital Stock any evidences of Indebtedness or assets of Fortis. Fortis has no obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any shares of Capital Stock, or other equity or voting interest in, Fortis or any other Person or to pay any dividend or to make any other distribution in respect of its Capital Stock. Fortis has no obligation (contingent or otherwise) to vote or dispose of any shares of its Capital Stock or other equity or voting interest. There are no outstanding or authorized stock appreciation rights, phantom stock awards or other rights that are linked in any way to the price of Fortis Common Stock or the value of Fortis or any part thereof. Except as set forth in the Capitalization Table, there are no equity securities of Fortis reserved for issuance for any purpose.

(h) Except as set forth in Section 5.4(h) of the Disclosure Schedule, there is no Contract between Fortis and any holder of its securities, or, [*], among any holders of its securities, relating to the sale or transfer (including agreements relating to rights of first refusal, co-sale rights or "drag-along" rights), registration under the Securities Act, or voting, of any Fortis Capital Stock.

(i) There is no Indebtedness that provides its holder with the right to vote on any matters on which shareholders of Fortis may vote.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(j) Notwithstanding anything to the contrary in this Section 5.4 or otherwise in this Option Agreement, the Capitalization Table provided as Section 5.4(a), Section 5.4(b) and Section 5.4(e) of the Disclosure Schedule and any representations and warranties that reference the Capitalization Table or Section 5.4(a), Section 5.4(b) and Section 5.4(e) of the Disclosure Schedule shall be true, complete and accurate as of the date hereof (and the representations and warranties with respect to the Capitalization Table provided in the Disclosure Schedule are made solely as of the date hereof), and the Capitalization Table provided as Section 5.4(b) and Section 5.4(e) of the Updated Disclosure Schedule shall be true, complete and accurate as of the Closing Date (and the representations and warranties with respect to the Capitalization Table provided in the Updated Disclosure Schedule are made solely as of the Closing Date).

Section 5.5. Noncontravention.

(a) The execution and delivery by Fortis of this Option Agreement, the consummation of the Merger and the other transactions contemplated hereunder and the compliance by Fortis with the provisions of this Option Agreement, do not and will not conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or to a loss of a material benefit under, or result in the creation of any Lien in or upon any of the properties or assets of Fortis under, or give rise to any increased, additional, accelerated or guaranteed rights or entitlements under, any provision of (i) the Constitutive Documents of Fortis, (ii) any Material Contract, or (iii) any Law or Judgment applicable to Fortis or its assets or properties, except in the case of clauses (ii) and (iii), where such violation, breach, conflict, default, termination, cancellation, acceleration, loss of material benefit, creation of a Lien, or increased, additional accelerated or guaranteed right or entitlement does not constitute a Material Adverse Change and that individually or in the aggregate are not likely to impair in any material respect the ability of Fortis to perform its obligations under this Option Agreement or any agreement contemplated by this Option Agreement, or prevent or materially impede or delay the consummation of the Merger or any of the other transactions contemplated hereunder.

(b) No consent, approval, qualification, order or authorization of, registration, declaration or filing with, or notice to, any Governmental Entity is necessary or required by Fortis in connection with the execution and delivery by Fortis of this Option Agreement, the consummation by Fortis of the Merger and the other transactions contemplated by this Option Agreement or the compliance by Fortis with the provisions of this Option Agreement, except for (i) if applicable, the filing of a premerger notification and report form under the HSR Act, and the receipt, termination or expiration, as applicable, of approvals or waiting periods required under the HSR Act or any other applicable competition, merger control, antitrust or similar Law; (ii) the filing of the Certificate of Merger with the office of the Secretary of State of the State of Delaware and appropriate documents with the relevant authorities of other states in which Fortis is qualified to do business and (iii) such other consents, approvals, orders, authorizations, registrations, declarations, filings and notices, the failure of which to be obtained or made individually or in the aggregate would not impair in any material respect the ability of Fortis to perform its obligations under this Option Agreement or any agreement contemplated by this Option Agreement or prevent or materially impede or delay the consummation of the Merger or any of the other transactions contemplated hereunder.

Section 5.6. Compliance with Laws; Regulatory Matters.

(a) Fortis is, and in the [*] has been, in material compliance with all applicable Laws and Judgments of any Governmental Entity applicable to it or to the conduct by Fortis of its business, or the ownership or use of any of its assets and properties. Fortis has not received, since its incorporation, a written or, to its knowledge, oral notice or communication alleging a possible material violation by Fortis of any applicable Law or Judgment of any Governmental Entity applicable to its businesses or operations.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) The Products at all times have been developed, tested, labeled, manufactured, and stored, as applicable, by or on behalf of Fortis in compliance in all material respects with all applicable Laws in the U.S., including the FFDCA or any regulations adopted thereunder by any Regulatory Entity (including, as applicable, those requirements relating to the FDA's current GMP, GLP, and GCP), and, with respect to any activities conducted in the EU, the EMA. Fortis has generated, prepared, maintained and retained all material information, data and biological materials that are required to be generated, prepared, maintained or retained by Fortis with respect to Products pursuant to, and in accordance in all material respects with, GCP, GLP, GMP and other applicable Laws. Fortis has not received written or, [*], oral notice of any pending or threatened Action from the FDA or any other Regulatory Entity alleging that any operation or activity of Fortis is in violation of the FFDCA or any analogous applicable Laws promulgated by applicable Governmental Entities outside the U.S.

(c) Fortis has made available to FibroGen a true, complete and correct copy of all material Regulatory Materials submitted to any Regulatory Entity by Fortis or in Fortis' possession. All Regulatory Materials submitted to any Regulatory Entity by Fortis were true and accurate in all material respects as of the date of submission to such Regulatory Entity.

(d) To the extent required by applicable Laws, all preclinical studies and tests and Clinical Trials conducted by Fortis with respect to Products have been, and if still pending are being, conducted in material compliance with research protocols, GLP, GCP, and all applicable Laws in the U.S., including the FFDCA (or any regulations adopted thereunder), and, with respect to any activities conducted in the EU, the EMA. [*], all preclinical studies and tests and Clinical Trials conducted on behalf of Fortis with respect to Products have been, or if pending, are being conducted in material compliance with research protocols, GLP, GCP, and all applicable Laws in the U.S., including the FFDCA (or any regulations adopted thereunder), and, with respect to any activities conducted in the EU, the EMA. No preclinical study or test or Clinical Trial conducted by or on behalf of Fortis with respect to Products has been terminated or suspended prior to completion, and no Regulatory Entity or clinical investigator that has participated or is participating in, or institutional review board that has or has had jurisdiction over, a preclinical study or test or Clinical Trial conducted by or on behalf of Fortis with respect to Products has commenced, or, [*], threatened to initiate, any action to place a clinical hold order on, or otherwise terminate or suspend or refuse to commence, any proposed or ongoing investigation or study or Clinical Trial conducted or proposed to be conducted by or on behalf of Fortis with respect to Products.

(e) Fortis has not received any written notice that any Regulatory Entity, or any relevant institutional review board, independent ethics committee or any other similar body has initiated, or threatened to initiate, any action to (i) suspend any Clinical Trial conducted by or on behalf of Fortis, or suspend or terminate any IND sponsored by Fortis or otherwise restrict or delay the preclinical or nonclinical research on or clinical study, in each case, of any Product, or (ii) recall, suspend or otherwise restrict the manufacture of any Product.

(f) Fortis has not received any written notice that any relevant institutional review board or independent ethics committee has refused to approve (i) any Clinical Trial conducted or proposed to be conducted by or on behalf of Fortis or (ii) any substantial amendment to a protocol for any Clinical Trial conducted or proposed to be conducted by or on behalf of Fortis, in each case with respect to any Product.

(g) Fortis is not subject to any investigation that is pending and of which Fortis has been notified in writing or, [*], which has been threatened, in each case by (i) the FDA or (ii) the Department of Health and Human Services Office of Inspector General or Department of Justice pursuant to the Federal Healthcare Program Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)) or the Federal False Claims Act (31 U.S.C. §3729).

(h) Fortis has complied in all material respects with all applicable security and privacy standards regarding protected health information relating to the Products under (i) the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, including the regulations promulgated thereunder and (ii) any applicable state privacy laws.

(i) All manufacturing operations conducted by or for the benefit of Fortis with respect to the Products have been and are being conducted in material compliance with applicable Laws, including, to the extent applicable, GMP.

(j) Neither Fortis nor, [*], any Fortis Personnel or Affiliate has committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for the FDA or any other Regulatory Entity to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" or any such similar policies set forth in any applicable Laws. Neither Fortis nor, [*], any Fortis Personnel has been convicted of any crime or engaged in any conduct that has resulted, or would reasonably be expected to result, in debarment or exclusion under applicable Laws, including 21 U.S.C. §335a and 42 U.S.C. §1320a-7. No Actions that would reasonably be expected to result in such a debarment or exclusion of Fortis are pending or, [*], threatened, against Fortis or, [*], any Fortis Personnel.

(k) There are no Actions pending with respect to which Fortis has been served and, [*], there are no other Actions pending, in each case, with respect to an alleged violation by Fortis of the FFDCA (or any regulations adopted thereunder), the Controlled Substances Act of 1970, as amended, or any other applicable Laws promulgated by any Regulatory Entity that applies to the regulatory status of any Product.

(l) Fortis has not received any warning letter or untitled letter, report of inspectional observations, including FDA Form 483s, establishment inspection reports, notices of violation, clinical holds, enforcement notices or other documents from any Regulatory Entity, or any institutional review board, independent ethics committee or similar body, alleging a lack of compliance by Fortis with any applicable Laws.

(m) Fortis has not marketed, advertised, distributed, sold, or commercialized any Product.

(n) Fortis has made available to FibroGen all material written preclinical, clinical and other experimental data in Fortis' possession relating to Products or the exploitation thereof relating to activities performed by or on behalf of Fortis, and has not concealed or withheld from FibroGen any such data.

(o) [*], there are no safety, efficacy, or regulatory issues, other than the information that has previously been made available to FibroGen, that would preclude FibroGen or the Surviving Corporation from exploiting the Products in compliance with applicable Laws.

Section 5.7. Permits. Fortis validly holds and has in full force and effect all material Permits necessary for it to own, lease or operate its assets and properties and to carry on its businesses as now conducted, and there has occurred no violation of, or default (with or without notice or lapse of time or both) under, or event giving to any Governmental Entity any right of termination, amendment or cancellation of, any such Permit, except where such violation, default or event would not, individually or in the aggregate, reasonably expected to be material to Fortis. Fortis has complied in all material respects with the terms and conditions of all material Permits issued to or held by Fortis. No Action is pending or, [*], threatened seeking the revocation or limitation of any material Permit issued to or held by Fortis. Section 5.7 of the Disclosure Schedule lists each material Permit issued or granted to or held by Fortis, true, complete and correct copies of which have been made available to FibroGen. All of the Permits listed on Section 5.7 of the Disclosure Schedule are held in the name of Fortis, and none are held in the name of any Fortis Personnel or agent or otherwise on behalf of Fortis.

Section 5.8. Financial Statements. Section 5.8 of the Disclosure Schedule sets forth (i) the unaudited balance sheet as of the most recent fiscal year end of Fortis, together with the statement of operations and cash flows of Fortis for such fiscal year, and (ii) the unaudited balance sheet as of [*] (such date, the "*Most Recent Balance Sheet Date*"), together with the statement of operations and cash flows of Fortis for the [*] (the statements referred to in clauses (i) and (ii), together with the SEC Financials, if any, being referred to collectively as the "*Financial Statements*"). The Financial Statements (and the Updated Financial Statements delivered to FibroGen following the date of this Option Agreement pursuant to Section 3.1(c) will) (x) have been prepared from the books and records of Fortis and are consistent with the books and records of Fortis, (y) have been prepared in accordance with GAAP, consistently followed throughout the periods indicated, and with respect to the SEC Financials, if any, in accordance with Regulation S-X, and (z) present fairly, in all material respects, the financial condition, results of operation, stockholders' equity and cash flows of Fortis as of the respective dates thereof and for the periods referred to therein, except for the absence of footnotes and immaterial year-end adjustments.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 5.9. Absence of Changes or Events. Except as expressly contemplated by this Option Agreement, since the Most Recent Balance Sheet Date and through the date hereof, (a) there has occurred no Material Adverse Change and (b) Fortis has not taken any actions that, if taken after the date of this Option Agreement, would constitute a material breach of any of the covenants set forth in Section 7.1.

Section 5.10. Undisclosed Liabilities. Fortis has no Liabilities, except for such Liabilities (a) set forth or adequately provided for in the balance sheet in the Financial Statements or, as of the Closing Date, the Updated Financial Statements, (b) that have been incurred in the Ordinary Course of Business since the Most Recent Balance Sheet Date or, as of the Closing Date, the most recent Updated Financial Statements delivered to FibroGen, and which are not material in amount, (c) set forth in Contracts and are to be performed following the date hereof, other than obligations due to any breaches or non-performance thereunder or for indemnification for pre-Closing acts or omissions, (d) liabilities that are not individually or in the aggregate material to Fortis as a whole, or (e) that have been incurred pursuant to or in connection with the execution, delivery or performance of this Option Agreement and the Evaluation Agreement.

Section 5.11. Assets; Personal Property.

(a) Fortis is the true and lawful owner and has good and valid title to all tangible assets reflected on the Most Recent Balance Sheet or thereafter acquired except those sold or otherwise disposed of or consumed in the Ordinary Course of Business since the Most Recent Balance Sheet Date and not in violation of this Option Agreement, in each case, free and clear of all Liens, other than Permitted Liens. Fortis' representations and warranties under this Section 5.11 are not made with respect to matters relating to Intellectual Property, which are covered by Section 5.14.

(b) Section 5.11(b) of the Disclosure Schedule sets forth any Contract pursuant to which Fortis leases personal property as lessee or lessor (the "*Personal Property Leases*"). Fortis has (i) good, valid and marketable title to all of the personal property purported to be owned by Fortis, and (ii) valid leasehold interests in all personal property purported to be leased by it, in each case of clauses (i) and (ii), free and clear of all Liens, other than Permitted Liens. Fortis enjoys peaceful and undisturbed possession under all Personal Property Leases. All personal property owned or leased by Fortis is maintained in good operating condition, reasonable wear and tear excepted, for the purposes for which it is currently being used. Fortis has provided to FibroGen true and accurate copies of all Personal Property Leases.

Section 5.12. Real Property. Fortis owns no fee title to real property. Fortis does not currently lease any real property.

Section 5.13. Contracts.

(a) Section 5.13(a) of the Disclosure Schedule lists the following Contracts that are in effect and to which Fortis is a party or to which it, or any of its assets and properties, is bound (each such Contract, a "*Material Contract*"):

(i) (A) employment, individual independent contractor or consulting Contracts with any current employee, independent contractor or consultant (other than any such Contracts with any Fortis Personnel whose annual compensation in connection with services provided to Fortis by such Fortis Personnel does not exceed [*] and that may be terminated by Fortis at-will without notice or the payment of any severance or termination payments or other material Liability to Fortis) and (B) collective bargaining agreements or other Contracts with any Union;

(ii) Contracts that limit the freedom of Fortis to compete in any line of business or geographic or therapeutic area or otherwise restricting the research, development, manufacture, marketing, distribution, sale, supply, license or marketing of the products and services that Fortis currently plans to develop, or to make use of any of the Intellectual Property rights of Fortis after the Closing Date, other than non-disclosure Contracts entered into in the Ordinary Course of Business or in connection with this Option Agreement;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(iii) Contracts containing any “non-solicitation” or “no-hire” provision that restricts Fortis, other than vendor Contracts entered into in the Ordinary Course of Business with standard service provider non-solicitation provisions;

(iv) Contracts with or involving any current or former holder of Fortis Capital Stock (other than Contracts with respect to the issuance of Fortis Capital Stock, including any stock option or equity award agreements with Fortis Personnel);

(v) Personal Property Leases providing for lease payments in excess of [*];

(vi) Contracts for the purchase or sale of products or the furnishing or receipt of services (A) calling for performance over a period of more than [*], (B) requiring or otherwise involving payment by or to Fortis of more than [*], to the extent the Contract is not terminable without penalty on [*] or shorter notice, (C) in which Fortis has granted manufacturing rights, “most favored nation” pricing provisions or marketing or distribution rights relating to any products or territory or (D) in which Fortis has agreed to purchase a minimum quantity of goods or services or has agreed to purchase goods or services exclusively from a certain party;

(vii) Contracts (or letters of intent) involving the disposition or acquisition of any product line, business or significant portion of the assets, properties or business of Fortis, or any merger, consolidation or similar business combination transaction, whether or not enforceable;

(viii) Contracts relating to capital expenditures in excess of [*] or other purchases of material, supplies, equipment or other assets or properties (other than purchase orders for inventory or supplies in the Ordinary Course of Business);

(ix) Contracts for any joint venture, partnership, joint product development, strategic alliance or co-marketing arrangement;

(x) Contracts granting a third party any license or sublicense to any Fortis Intellectual Property, or pursuant to which Fortis has been granted by a third party any license or sublicense to any Intellectual Property, or any other license, sublicense, option or other Contract relating in whole or in part to Fortis Intellectual Property or the Intellectual Property of any other Person, except, in each case, for standard end-user, internal use software licenses for the use of commercial “shrink-wrapped” software or Off-the-Shelf Software, non-disclosure agreements, Invention Assignment Agreements or Contracts that include non-exclusive rights or licenses granted to Fortis that are ancillary to Fortis’s purchase or use of commercially available equipment, reagents, or materials, in each case entered into in the Ordinary Course of Business;

(xi) Contracts to which Fortis is a party as of the date hereof relating to Clinical Trials in respect of products (including Products) of Fortis or any Subsidiary of Fortis;

(xii) Contracts setting forth any right of first refusal, right of first negotiation or right of first offer in favor of a party other than Fortis;

(xiii) any agency, dealer, sales representative, distribution, marketing or other similar agreements;

(xiv) Contracts under which Fortis has borrowed (or may borrow) any money from, or issued (or may issue) any note, bond, debenture or other evidence of indebtedness for borrowed money, to any Person (other than trade debt incurred in the Ordinary Course of Business, payments or benefits owed to employees, independent contractors or consultants);

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(xv) Contracts (including so-called take-or-pay or keepwell agreements) under which (A) any Person has directly or indirectly guaranteed or assumed Indebtedness or Liabilities of Fortis or (B) Fortis has directly or indirectly guaranteed or assumed Indebtedness or Liabilities of any Person (in each case, other than endorsements for the purposes of collection in the Ordinary Course of Business)

(xvi) Contracts under which Fortis has made or will make, directly or indirectly, any advance, loan, extension of credit or capital contribution to, or other investment in, any Person (other than Fortis) or any Contracts relating to the making of any such advance, loan, extension of credit, capital contribution or other investment;

(xvii) Contracts involving any resolution or settlement of any material Action;

(xviii) any Contracts containing any covenant not to sue, concurrent use agreement, settlement agreement, pre-rights declarations, co-existence agreement or other consent with respect to Fortis Intellectual Property;

(xix) Contracts providing that Fortis or any Fortis Personnel maintain the confidentiality of any information, or providing for any Person to maintain the confidentiality of any information material to Fortis, in each case, other than entered into in the Ordinary Course of Business; and

(xx) any other Contracts involving future payments by Fortis in the [*] in excess of [*].

(b) Each Material Contract is in full force and effect, and is valid and binding and Enforceable in accordance with its terms against Fortis and, [*], the other parties thereto. A true, correct and complete copy of each written Material Contract has been made available to FibroGen. There is no material violation, breach (including, [*], anticipatory breach) or default under any Material Contract by Fortis or, [*], by any other party thereto, and Fortis has not received or given written notice of any material default on the part of any party in the performance or payment of any Material Contract.

Section 5.14. Intellectual Property.

(a) Scheduled Intellectual Property. Section 5.14(a) of the Disclosure Schedule identifies all patents, patent applications, registered trademarks and copyrights, applications for trademark and copyright registrations, domain names, registered design rights, and other forms of registered Intellectual Property and applications therefor, owned by or exclusively licensed to Fortis (collectively, the "*Fortis Registrations*"). Section 5.14(a) of the Disclosure Schedule also identifies each proprietary software program, each social media account and handles, each trade name, each unregistered trademark, service mark, or trade dress, and each unregistered copyright owned by or exclusively licensed to Fortis that, in each case, is material to the Business. For purposes of this Option Agreement, all items listed on Section 5.14(a) of the Disclosure Schedule shall be called "*Scheduled Intellectual Property*". Section 5.14(a) of the Disclosure Schedule specifically identifies those items of Scheduled Intellectual Property that are exclusively licensed to Fortis, including the identification of the Contractual Obligation pursuant to which each such item of Intellectual Property is licensed. For each of Fortis Registrations, Section 5.14(a) of the Disclosure Schedule includes the following information: the relevant registration or application number, the owner of record, the country or jurisdiction, and the filing or registration date. Each of Fortis Registrations is subsisting, and [*], valid and enforceable.

(b) Title to Fortis Registrations. Except as disclosed on Section 5.14(b) of the Disclosure Schedule,

(i) [*] Fortis owns all rights, titles, and interests in and to each item of Fortis Registrations, free and clear of any Lien other than Permitted Liens and licenses granted in the Outbound IP Contracts identified in Section 5.14(f) of the Disclosure Schedule or any Contract not required to be identified in Section 5.14(f) of the Disclosure Schedule, and Fortis is the owner of record of all Fortis Registrations; and

(ii) no Fortis Registration is subject to any outstanding Government Order, and no written Action (including any opposition, cancellation, interference, inter partes review, or re-examination) is pending or, [*], threatened in writing, that challenges the legality, validity, enforceability, use, scope or ownership of any Fortis Registration.

(c) Sufficiency. Except as disclosed on Section 5.14(c) of the Disclosure Schedule, [*], Fortis owns or has adequate rights to use all Technology and Intellectual Property used or proposed to be used in connection with the Business as currently conducted and with the Exploitation of the Products as existing as of the date of this Option Agreement (including as contemplated under the Evaluation Agreement), without, [*], any infringement, misappropriation or violation of the Intellectual Property of others. The Surviving Corporation will continue to own or have after the Closing, valid rights or licenses as are sufficient to use all of the Intellectual Property and Technology used by Fortis to the same extent as prior to the Closing. The consummation of the transactions contemplated by this Option Agreement will not result in the loss or impairment of Fortis' rights in any Fortis Intellectual Property or Technology and will not result in the breach of, or create on behalf of any third party, the right to terminate or modify any agreement as to which Fortis is a party and pursuant to which Fortis is authorized or licensed to use any third party Intellectual Property.

(d) Infringement of Third Party IP. Except as disclosed on Section 5.14(d) of the Disclosure Schedule, (i) [*], neither the conduct by Fortis of its Business as currently conducted nor the Exploitation of any Products as existing as of the date of this Option Agreement has infringed upon, misappropriated, or violated any Intellectual Property of any Third Party, and (ii) neither Fortis nor any Predecessor has received any written charge, complaint, claim, demand, or notice from any Third Party alleging infringement, misappropriation, or violation of the Intellectual Property of such Third party (including any request or demand to refrain from using any Intellectual Property of any Third Party in connection with the conduct of the Business as currently conducted or the Exploitation of any Products as existing as of the date of this Option Agreement).

(e) Infringement of Fortis IP. Except as disclosed on Section 5.14(e) of the Disclosure Schedule, (i) [*], no Person has infringed upon, misappropriated, or violated any Fortis Intellectual Property owned by or exclusively licensed to Fortis, and (ii) neither Fortis nor any Predecessor has made any written charge, complaint, claim, demand, or notice against or to any Third Party alleging infringement, misappropriation, or violation of any such Fortis Intellectual Property (including any request or demand to refrain from using any such Fortis Intellectual Property).

(f) IP Contracts. Section 5.14(f) of the Disclosure Schedule identifies under separate headings each Contractual Obligation, whether written or oral, (i) under which Fortis licenses or acquires any right in an item of Technology or any Intellectual Property that any Person besides Fortis owns that is used by Fortis in the Business as currently conducted or proposed to be conducted or that is necessary or useful for the Exploitation of any Products, or owes any royalties or other payments to any Person for the use of any Intellectual Property or Technology; but excluding Contractual Obligations that are (A) related to Off-the-Shelf Software, (B) non-disclosure agreements, or agreements that include non-exclusive licenses granted to Fortis that are ancillary to Fortis's purchase or use of commercially available equipment, reagents, or materials, in each case entered into in the Ordinary Course of Business (the "*Inbound IP Contracts*") and (ii) under which Fortis has granted any Person any right or interest in any Fortis Intellectual Property; but excluding Contractual Obligations that are material transfer agreements, clinical trial agreements, non-disclosure agreements or non-exclusive licenses granted to service providers or contractors solely for the purposes of the provision of services to Fortis and that do not grant any commercial rights to any products or services of Fortis, in each case entered into in the Ordinary Course of Business (the "*Outbound IP Contracts*") (collectively, clauses (i) and (ii), the "*IP Contracts*").

(g) Confidentiality and Invention Assignments. Fortis has maintained [*] to protect the confidentiality of Fortis' confidential information and trade secrets pertaining to Fortis's Business or any Product, and, except as disclosed on Section 5.14(g) of the Disclosure Schedule, have required all employees and other Persons with access to Fortis' confidential information to execute Enforceable Contractual Obligations requiring them to maintain the confidentiality of such information and use such information only for the benefit of Fortis. All current and former employees and contractors of Fortis who contributed to the creation or development of Fortis Intellectual Property owned or purported to be owned by Fortis have executed Enforceable Contractual Obligations that assign to Fortis all of such Person's respective rights, including Intellectual Property, relating to such Fortis Intellectual Property (each, an "*Invention Assignment Agreement*").

(h) Privacy and Data Security. Fortis' Handling of any Personal Information is in compliance in all material respects with Legal Requirements and Contractual Obligations (including privacy policies and terms of use) applicable to Fortis or to which Fortis is bound. Fortis maintains and complies in all material respects with written policies and procedures regarding data security and privacy and maintains [*] safeguards that are designed to protect Personal Information in compliance in all material respects with all Legal Requirements and Contractual Obligations applicable to Fortis or to which Fortis is bound. [*], there has been no (i) material unauthorized acquisition of, access to, loss of, misuse (by any means) of any Personal Information, confidential information or trade secret, or (ii) material unauthorized or unlawful Handling of any Personal Information, confidential information or trade secret, in each case, used or held for use by or on behalf of Fortis.

Section 5.15. Litigation. There is no Action that is pending or, [*], threatened against Fortis (or directors, officers or employees of Fortis, to the extent such Action relates to Fortis) or any assets or properties of Fortis. There are no Judgments outstanding against Fortis (or directors, officers or employees of Fortis, to the extent such Judgments relate to Fortis) or any assets or properties of Fortis. In the [*], there has not been any Action in respect of Fortis that (a) resulted in a Judgment against or settlement by Fortis (whether or not such Judgment or settlement was paid, in whole or in part, by an insurer of Fortis or other third party), (b) resulted in any equitable relief or (c) relates to the Merger and the other transactions contemplated by this Option Agreement or the Ancillary Agreements. There is no Action pending by Fortis, or which Fortis intends to initiate, against any other Person.

Section 5.16. Taxes.

(a) All income and other material Tax Returns with respect to Fortis that are required to have been filed have been duly and timely filed with the appropriate Taxing Authority and such income and other material Tax Returns were true, correct and complete in all material respects. All Taxes owed by Fortis (whether or not shown as due and payable on any Tax Returns) have been timely paid.

(b) All Taxes that Fortis has been required to deduct, collect or withhold in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party, have been duly deducted, collected or withheld and have been duly and timely paid to the appropriate Taxing Authority, and Fortis has complied in all material respects with all associated or unrelated reporting and record keeping requirements.

(c) No dispute, audit, investigation, proceeding or claim concerning any Liability for Taxes of Fortis has been raised by a Taxing Authority and, [*], no such dispute, audit, investigation, proceeding or claim is threatened, pending, being conducted or claimed. Fortis has provided or made available to FibroGen true, correct and complete copies of all U.S. federal and California income Tax Returns that have been filed by Fortis during the [*].

(d) There are no Liens for Taxes (other than those described in clause (i) of Permitted Liens) on the assets and properties of Fortis.

(e) No written claim has ever been received by Fortis from a Taxing Authority, in a jurisdiction where Fortis does not file Tax Returns or does not pay Taxes, that Fortis is (or may be) required to file Tax Returns in or be subject to Tax by that jurisdiction.

(f) No waivers of statutes of limitation with respect to the Taxes or Tax Returns of Fortis have been given by or requested from Fortis other than pursuant to automatic extensions of the due date for filing a Tax Return obtained in the Ordinary Course of Business. No agreement or arrangement extending, or having the effect of extending, the period of assessment or collection of any Taxes payable by Fortis is in effect and Fortis is not the beneficiary of any extension of time within which to file any Tax Return, in each case, other than pursuant to automatic extensions of the due date for filing a Tax Return obtained in the Ordinary Course of Business. There is no power of attorney given by or binding upon Fortis with respect to Taxes that will remain in effect following the Closing Date. No closing agreements, private letter rulings, technical advice memorandum or similar agreements or rulings relating to Taxes have been entered into or issued by any Taxing Authority with or in respect of Fortis.

(g) The unpaid Taxes of Fortis did not (i) as of the Most Recent Balance Sheet Date materially exceed the reserve for Taxes (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth thereon, and (ii) will not, as of the Closing Date, exceed either (A) that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of Fortis in filing its Tax Returns or (B) the reserve for Taxes set forth in the Estimated Closing Balance Sheet.

(h) Fortis will not be required to include any material item of income in, or exclude any material item of deduction from, Taxable income for any Post-Closing Tax Period as a result of any (i) change of prior to the Closing, or improper use of, a method of accounting for a Pre-Closing Tax Period, (ii) installment sale or open transaction disposition made in a Pre-Closing Tax Period or (iii) prepaid amount received or paid, or deferred revenue existing, prior to the Closing Date outside of the Ordinary Course of Business, (iv) any deferred intercompany gain or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision or administrative rule of state, local, or foreign Tax law) as a result of any transaction or event occurring, or action taken, before the Closing or (v) any “closing agreement” as described in Code Section 7121 (or any corresponding or similar provision of state, local or foreign law) executed on or prior to the Closing Date.

(i) Fortis is not, and has not been during the applicable period set forth in Section 897(c)(1)(A)(ii) of the Code, a “United States real property holding corporation” within the meaning of Section 897 of the Code.

(j) Fortis is not, and has never been, a member of an affiliated group of corporations filing a consolidated federal income Tax Return (other than an affiliated group for which the common parent is Fortis). Fortis has no Liability for the Taxes of any Person under Treasury Regulations Section 1.1502-6 (or comparable provision of domestic or foreign Tax Law), as a transferee or successor, by contract (other than any such customary commercial agreement entered into in the Ordinary Course of Business and not primarily related to Taxes) or otherwise by operation of Law.

(k) In the [*], Fortis has not constituted a “distributing corporation” or a “controlled corporation” in a distribution qualifying or purported to qualify for Tax-free treatment (in whole or in part) under Section 355(a) of the Code or under analogous provisions of domestic or foreign Tax Law.

(l) Fortis is not, and has never been, a “passive foreign investment company” as defined in Section 1297(a) of the Code or incurred any “personal holding company” Tax under Section 541 of the Code. Fortis is in material compliance with and maintains all appropriate documentation for transfer pricing requirements. Neither the Surviving Corporation nor any of its Affiliates would be required to include any amount in gross income pursuant to Section 951 or 951A of the Code with respect to any Subsidiary if the Taxable year of such Subsidiary were deemed to [*] (but not taking into account any activities or income of any such Subsidiary on such day). Fortis has no fixed place of business, or “permanent establishment” (within the meaning of an applicable income Tax treaty) in any country other than as set forth on Section 5.16(l) of the Disclosure Schedule.

(m) Fortis is not a party to, or otherwise bound by or subject to, any Tax sharing, allocation or indemnification or similar agreement, provision or arrangement (other than agreements or arrangements entered into in the Ordinary Course of Business the primary purpose of which is not Taxes).

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(n) Fortis is not a party to any joint venture, partnership or other arrangement or Contract which is properly treated as a partnership for U.S. federal income Tax purposes.

(o) Fortis has not been a party to a transaction that is or is substantially similar to a "listed transaction" as such term is defined in Treasury Regulations Section 1.6011-4(b)(2).

(p) Since the Most Recent Balance Sheet Date, Fortis has not made any changes in Tax accounting methods, principles, practices or policies, made, changed or revoked any material Tax election, settled any Tax claim, assessment or other proceeding in respect of material Taxes, surrendered any right to claim a refund of material Taxes, amended any income or other material Tax Return, or consented to any extension or waiver of the limitation period applicable to any Tax claim or assessment other than pursuant to automatic extensions of the due date for filing a Tax Return obtained in the Ordinary Course of Business.

(q) No Fortis Personnel is entitled to any gross-up, make-whole or other additional payment from Fortis with respect to any Tax or interest or penalty related thereto. Each Benefit Plan subject to Section 409A of the Code is in operational and documentary compliance in all material respects therewith.

(r) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will, either alone or in conjunction with any other event, result in any payment or provision of any other benefit or right (including accelerated vesting) that, individually or collectively, would not be deductible by reason of Section 280G of the Code or would be subject to an excise Tax under Section 4999 of the Code.

(s) Fortis has not taken out any loan, received any loan assistance or received any other financial assistance, or requested any of the foregoing, in each case under the CARES Act, including pursuant to the Paycheck Protection Program or the Economic Injury Disaster Loan Program.

(t) This Section 5.16 and Section 5.18 (to the extent related to Taxes) constitute the exclusive representations and warranties of Fortis with respect to Taxes and any claim for breach of representation with respect to Taxes shall be based solely on the representations made in this Section 5.16 and Section 5.18 (to the extent related to Taxes) and shall not be based on the representations set forth in any other provision of this Option Agreement. The representations in this Section 5.16 refer only to the past activities of Fortis and are not intended to serve as representations to, or as a guarantee of, nor can they be relied upon for, or with respect to, Taxes attributable to any Tax periods (or portions thereof) beginning, or Tax positions taken, after the Closing Date; provided, that, the foregoing shall not apply to the last sentence of Section 5.16(f), Section 5.16(h), Section 5.16(m), and Section 5.16(n). Notwithstanding anything to the contrary in this Option Agreement, Fortis makes no representations as to the amount of, or limitations on the use after the Closing Date of, any net operating losses, capital losses, deductions, Tax credits and other similar items of Fortis.

Section 5.17. Insurance. Section 5.17 of the Disclosure Schedule contains a true, complete and correct list of all policies of fire, liability, workers' compensation, title and other forms of insurance owned or held by Fortis, and Fortis has heretofore made available to FibroGen a true, complete and correct copy of all such policies. All such policies are valid and subsisting and in full force and effect in accordance with their terms, all premiums with respect thereto covering all periods up to and including the Closing Date have been paid, and no notice of cancellation or termination (or any other threatened termination) has been received with respect to any such policy. Fortis has complied in all material respects with the provisions of such policy under which it is an insured party. Fortis is not in default under any of such insurance policies in any material respect. There are no pending or, [*], threatened claims under any insurance policy.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 5.18. Benefit Plans.

(a) Section 5.18(a) of the Disclosure Schedule sets forth a complete list of each (i) "employee benefit plan" (as defined in section 3(3) of ERISA, whether or not subject to ERISA) and each (ii) retirement, deferred compensation, pension, savings, bonus, commission, equity or equity-based or other incentive, retention, employment, independent contractor, consulting, unemployment compensation, vacation or other paid time off, change of control, severance, health or welfare benefit, fringe benefit and other compensation or benefit agreement, Contract, plan, policy, program or arrangement, in each case, whether or not reduced to writing, that is or was sponsored, maintained, contributed to, or required to be contributed to by Fortis or any of its ERISA Affiliates or under or with respect to which Fortis or any of its ERISA Affiliates has any Liability (each, a "*Benefit Plan*").

(b) With respect to each material Benefit Plan, complete and correct copies of the following materials have been made available to FibroGen, as applicable: (i) the plan document and any amendments thereto (or if the Benefit Plan is unwritten, a written description of all material terms thereof); (ii) any related trust agreement, insurance contract or other funding vehicle; (iii) the current summary plan description and each summary of material modifications thereto, (iv) the annual report most recently filed with any Governmental Entity (e.g., Form 5500 and all schedules thereto); (v) the nondiscrimination testing reports (or safe harbor notices) for each of the [*]; (vi) the most recent determination, advisory or opinion letter received from the IRS; and (vii) all material, non-routine notices, letters, filings, and correspondence between Fortis and any Governmental Entity related to such Benefit Plan that relate to legal compliance of a Benefit Plan or that may impact benefits or Liabilities of such Benefit Plan in the [*].

(c) Each Benefit Plan has been established, maintained, operated, and administered in all material respects in accordance with Law and the requirements of such Benefit Plan's governing documents. Neither Fortis nor, [*] any other Person, is in material breach of, or material default under, any Benefit Plan. There are no Actions or other claims (other than routine benefit claims) pending or, [*], threatened with respect to any Benefit Plan and there have been no non-exempt "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to any Benefit Plan that has not been fully corrected and there exists no circumstances [*] which could reasonably be expected to give rise to any such Actions or claims. Neither Fortis nor any of its ERISA Affiliates has breached in any material respect any fiduciary obligation with respect to the administration or investment of any Benefit Plan. Each Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code is so qualified and is the subject of a favorable unrevoked determination, opinion or notification letter issued by the IRS as to its qualified status under the Code, and no circumstances have occurred that would reasonably be expected to adversely affect the tax qualified status of any such Benefit Plan or otherwise result in material Liability to Fortis.

(d) No Benefit Plan is, or within the [*] has been, the subject of an examination or audit by a Governmental Entity, or is the subject of an application or filing under, or a participant in, a government-sponsored amnesty, voluntary compliance, self-correction or similar program.

(e) None of the Benefit Plans are, and none of Fortis or any of its ERISA Affiliates has ever sponsored, maintained, contributed to, been required to contribute to, or had any Liability with respect to: (i) any plan subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code or any similar Law; (ii) any "multiemployer plan" as defined in Section 3(37) of ERISA or Section 414(f) of the Code; (iii) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA; or (iv) a "multiple employer plan" within the meaning of Section 210(a) of ERISA or Section 413(c) of the Code. No Benefit Plan provides post-termination medical, welfare, or life insurance benefits to any Fortis Personnel or other Person, other than as required by Section 4980B of the Code or other applicable Law and at such individual's sole expense.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(f) Each Benefit Plan that is a "group health plan" for purposes of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (the "*Affordable Care Act*") has been maintained and administered in compliance in all material respects with the Affordable Care Act, to the extent applicable thereto, including, to the extent required by the Affordable Care Act, offering health care coverage that does not subject Fortis to any assessment under Section 4980H(a) or 4980H(b) of the Code, and Fortis does not have, and would not reasonably be expected to have, any material liabilities for Taxes under Sections 4975 through 4980 of the Code or Sections 4980A through 4980I of the Code.

(g) Neither the execution of this Agreement nor consummation of the transactions contemplated hereby will, either alone or in conjunction with any other event, (i) increase the amount of or result in the acceleration of time of payment, funding or vesting of compensation or benefits under any Benefit Plan, (ii) entitle any Fortis Personnel to any compensation or benefit under any Benefit Plan, or (iii) result in the forgiveness of indebtedness of any Fortis Personnel.

Section 5.19. Employee and Labor Matters.

(a) There is no (i) labor disruption or organizing activity, including any strike, work slowdown, lockout, work stoppage or picketing with respect to any current Fortis Personnel pending or, [*], threatened against or affecting Fortis, and there have been no such troubles, (ii) grievance or arbitration proceeding arising out of collective bargaining agreements to which Fortis is a party, including any claim for the management and administration of a collective bargaining agreement or (iii) any other labor dispute or unfair labor practice complaint pending or, [*], threatened against Fortis. Fortis is not bound by or otherwise subject to any collective bargaining agreement, collective bargaining convention, or other Contract with a Union, and no such Contract is being negotiated by Fortis. No current Fortis Personnel is represented by a Union, no demand for recognition of employees of Fortis has been made by, or on behalf of, any Union, and, [*], there has been no activity or proceeding of any Union to organize any employee of Fortis.

(b) Fortis is and has been in compliance in all material respects with all applicable Laws regarding employment and employment practices, terms and conditions of employment, including wages and hours, the classification of employees and independent contractors and, [*], [*] has been in compliance in all material respects with all such Laws with respect to any Fortis Personnel employed or engaged by [*] to provide services to Fortis.

(c) There are and have been no Actions pending nor, [*], threatened by or before any Governmental Entity against or affecting Fortis concerning employment-related matters, or brought by or on behalf of any current or former job applicant of Fortis or Fortis Personnel against Fortis.

(d) Fortis and, [*], [*], have not, during the [*], taken any action with respect to Fortis Personnel that would constitute a "mass layoff" or "plant closing" within the meaning of the Worker Adjustment Retraining and Notification Act or would otherwise trigger similar notice requirements or liability under any state, local or foreign plant closing notice Law. No arbitration order, court decision, Judgment or Material Contract to which Fortis is a party or is subject in any way limits or restricts Fortis from relocating or closing any of the operations of Fortis.

(e) Section 5.19(e) of the Disclosure Schedule contains a true, complete and correct list, as of the date hereof, of each current Fortis Personnel, his or her current rate of annual base salary or current wage rate, bonus or other incentive target for the current fiscal year of Fortis, job title, employment or independent contractor status (including whether engaged directly by Fortis or through [*]), work location, credited service date and date of hire or engagement. No current Fortis Personnel (i) or group of current Fortis Personnel, [t*], has given notice of termination of employment or engagement or otherwise disclosed plans to terminate employment or engagement with Fortis within the [*], (ii) is employed under a non-immigrant work visa or other work authorization that is limited in duration, or (iii) has been the subject of any sexual harassment, sexual assault, sexual discrimination or other misconduct allegations during his or her tenure at Fortis.

(f) No current Fortis Personnel is a party to or bound by any Contract, license or covenant of any nature, or subject to any Judgment of any Governmental Entity, that (i) may interfere with the use of such Person's efforts to promote the interests of Fortis, (ii) may conflict with the business of Fortis or the Merger and the other transactions contemplated by this Option Agreement or (iii) would reasonably be expected to result in a Material Adverse Change. [*], no activity of any Fortis Personnel as or while an employee, independent contractor or other service provider of Fortis has caused a violation of any employment Contract, confidentiality agreement or Patents disclosure agreement.

Section 5.20. Environmental Matters. No real property (including soils, groundwater, surface water, buildings or other structures) currently operated by Fortis has been contaminated with any Hazardous Material, and no real property (including soils, groundwater, surface water, buildings or other structures) formerly operated by Fortis was contaminated with any Hazardous Material on or prior to such period of operation. [*], Fortis is not subject to any material liability for Hazardous Material disposal or contamination on any third party property. None of the real properties operated by Fortis contains any underground storage tanks, asbestos-containing material, lead products or polychlorinated biphenyls. Fortis has not released any Hazardous Material into the environment except (i) in compliance with Law or (ii) in an amount or concentration that would not reasonably be expected to give rise to any material liability or obligation under any Environmental Law. Fortis has not received any written notice, demand, letter, claim or request for information from any Governmental Entity or other Person indicating that it may be in violation of, or subject to liability under, any Environmental Law or regarding any actual, alleged, possible or potential liability arising from or relating to the presence, generation, manufacture, production, transportation, importation, use, treatment, refinement, processing, handling, storage, discharge, release, emission or disposal of any Hazardous Material used by Fortis.

Section 5.21. Books and Records. The minute books of Fortis made available to FibroGen prior to the date hereof accurately and adequately reflect in all material respects all material action previously taken by the stockholders, board of directors and committees of the board of directors of Fortis during the [*] (other than any minutes of meetings related to any potential sale of Fortis or any of its material assets or otherwise related to deliberations by the board of directors of Fortis with respect to the consideration of the Merger, the other transactions contemplated hereunder or Transaction Proposals). The copies of the stock book records of Fortis made available to FibroGen in the Data Room prior to the date hereof are true, correct and complete, and accurately reflect all transactions effected in Fortis Capital Stock through and including the date hereof.

Section 5.22. Bank Accounts. Section 5.22 of the Disclosure Schedule contains a true, correct and complete list of all bank accounts maintained by Fortis including each account number and the name and address of each bank and the name of each Person who has signature power with respect to each such account.

Section 5.23. Transactions with Affiliates. No Affiliate of Fortis (a) owns or has any direct interest in any (i) Fortis Intellectual Property owned by or exclusively licensed to Fortis, (ii) other property (real or personal, tangible or intangible) of Fortis or (iii) Material Contract (other than employment, individual independent contractor or consulting Contracts or Contracts with respect to the issuance or repurchase of any Fortis Capital Stock, Fortis Stock Options or Warrants), (b) [*], has any claim or cause of action against Fortis or (c) owes any money to, or is owed any money by (other than, with respect to any Affiliate who is an employee, independent contractor, director, officer or consultant of Fortis, earned wages, benefits or other compensation payable in the Ordinary Course of Business, reimbursement for expenses or similar advances made in the Ordinary Course of Business), Fortis. Neither Fortis nor, [*], any officer, director or employee of Fortis, possesses, directly or indirectly, any financial interest in, or is a director, officer or employee of, any Person that is a client, supplier, customer, lessor, lessee or competitor of Fortis that adversely affects Fortis in any material respect. Ownership of securities of a Person whose securities are registered under the Securities Exchange Act of 1934, as amended, of [*] of any class of such securities shall not be deemed to be a financial interest for purposes of this Section 5.23.

Section 5.24. Brokers. Fortis has no Liability to any investment banker, broker, finder, or similar intermediary in connection with the Merger or the other transactions contemplated hereunder.

Section 5.25. Anticorruption Matters. Neither Fortis, nor, [*], any of the Representatives of Fortis has, directly or indirectly, taken any action in the [*] in violation in any material respect of any applicable anticorruption Law, including the U.S. Foreign Corrupt Practices Act ("*FCPA*") (15 U.S.C. § 78 dd-1 et seq.).

Section 5.26. Relationships with Suppliers. Since January 1, 2022, no supplier of Fortis that is material to Fortis has canceled or otherwise terminated, or provided written notice to Fortis of its intent, or, [*], threatened, to terminate its relationship with Fortis, or, since January 1, 2022, materially decreased or limited, or provided written notice to Fortis of its intent, or, [*], threatened, to materially decrease or limit, its sales to Fortis.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF FIBROGEN

FibroGen represents and warrants to Fortis, as of the date hereof and as of the Closing Date, as follows:

Section 6.1. Organization and Standing. FibroGen is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware. As of the Closing, Merger Sub will be a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware.

Section 6.2. Power and Authority; Binding Agreement. FibroGen has all requisite corporate power and authority to execute and deliver this Option Agreement and to consummate the Merger and the other transactions contemplated hereby, and to perform its obligations hereunder. The execution and delivery by FibroGen of this Option Agreement, and the consummation by FibroGen and Merger Sub of the Merger and the other transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of FibroGen, and at the Closing, will have been duly authorized by all necessary corporate action on the part of Merger Sub, and no other proceedings on the part of FibroGen are necessary to authorize this Option Agreement or to consummate the Merger and the other transactions contemplated hereby other than (a) the filing of the Certificate of Merger with the office of the Secretary of State of the State of Delaware and (b) the filing of a premerger notification and report form under the HSR Act, if necessary. This Option Agreement has been duly executed and delivered by FibroGen and, assuming the due execution of this Option Agreement by the other Parties, constitutes a valid, legal and binding obligation of FibroGen, Enforceable against FibroGen.

Section 6.3. Noncontravention.

(a) The execution and delivery by FibroGen of this Option Agreement, the consummation of the Merger and the other transactions contemplated hereunder and the compliance by FibroGen with the provisions of this Option Agreement do not and will not (i) result in the breach of any of the terms or conditions of, or constitute a default under or violate, as the case may be, the Constitutive Documents of FibroGen, or any material Contract to which FibroGen is bound, or by which any of its assets or properties may be affected or (ii) violate any Law or Judgment applicable to FibroGen, other than any such breaches, defaults or violations that individually or in the aggregate are not likely to impair in any material respect the ability of FibroGen to perform its obligations under this Option Agreement or any agreement contemplated by this Option Agreement, or prevent or materially impede or delay the consummation of the Merger or any of the other transactions contemplated hereunder.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) No consent, approval, qualification, order or authorization of, registration, declaration or filing with, or notice to, any Governmental Entity is required by FibroGen in connection with the execution and delivery by FibroGen of this Option Agreement, the consummation by FibroGen of the Merger and the other transactions contemplated by this Option Agreement or the compliance by FibroGen with the provisions of this Option Agreement, except for (i) the filing of a premerger notification and report form under the HSR Act, (ii) the filing of the Certificate of Merger with the office of the Secretary of State of the State of Delaware and appropriate documents with the relevant authorities of other states in which Fortis is qualified to do business and (iii) such other consents, approvals, orders, authorizations, registrations, declarations, filings and notices, the failure of which to be obtained or made individually or in the aggregate would not impair in any material respect the ability of FibroGen to perform its obligations under this Option Agreement or any agreement contemplated by this Option Agreement, or prevent or materially impede or delay the consummation of the Merger or any of the other transactions contemplated hereunder.

Section 6.4. Litigation. There is no Action pending or, [*], threatened against FibroGen challenging the Merger or that would otherwise impair in any material respect the ability of FibroGen to perform its obligations under this Option Agreement or any agreement contemplated by this Option Agreement, or prevent or materially impede or delay the consummation of the Merger or any of the other transactions contemplated hereunder.

Section 6.5. Brokers. FibroGen has not employed or entered into any Contract with any investment banker, broker, finder, or similar intermediary in connection with the transactions contemplated by this Option Agreement, pursuant to which the Sellers could be liable for the fee or commission of such investment banker, broker, finder or similar intermediary, or for any similar fee or commission in connection with the Merger, this Option Agreement or the other transactions contemplated hereunder.

Section 6.6. Capital Resources. At the Closing, FibroGen will have available all of the funds necessary to make the payments required to be made pursuant to Section 2.4 and to consummate the transactions contemplated by this Option Agreement, and at the time any Contingent Payment becomes due and payable to the Sellers, FibroGen will have available all of the funds necessary to pay the full amount of such Contingent Payment.

ARTICLE 7
CERTAIN COVENANTS

Section 7.1. Conduct of Business.

(a) From the date hereof until the earlier of the Closing Date and the termination of this Agreement (the "*Pre-Closing Period*"), Fortis shall, except as (i) expressly permitted or required by the terms of this Option Agreement or the Evaluation Agreement, (ii) as required by applicable Law, or (iii) with the prior written consent of FibroGen (which shall not be unreasonably conditioned, withheld or delayed), use [*] to (A) conduct its business in the Ordinary Course of Business; and (B) (i) keep its physical assets in good working condition and (ii) keep in full force and effect all material Fortis Intellectual Property; provided that, neither Fortis nor the Sellers shall be liable or required to indemnify FibroGen or any of the FibroGen Indemnified Parties under Article 9 for any loss of rights resulting from FibroGen's activities under or non-compliance with the Evaluation Agreement. In the event Fortis fails to make any payment on any invoice or other Liability that is or becomes due and payable during the period between the date hereof and Closing, and such failure is not in respect of any such invoices or Liabilities pursuant to the Study Plan, and such failure to pay would reasonably be expected to result in a Material Adverse Change, Fortis shall notify FibroGen of such failure to pay as promptly as practicable after becoming aware of such failure. FibroGen shall have the right, but not the obligation, to make such payment, for and on behalf of Fortis, and if FibroGen elects to make such payment then FibroGen shall notify Fortis in writing and [*] actually made by FibroGen shall be deemed to constitute a Deal Fee if the Closing occurs; provided that, if this Option Agreement is terminated pursuant to Article 10, Fortis shall have no obligation to reimburse FibroGen for any such payments.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) In addition to and without limiting the generality of Section 7.1(a), except (A) as expressly permitted or required by the terms of this Option Agreement or the Evaluation Agreement, (B) as required by applicable Law, or (C) as otherwise set forth on Section 7.1(b) of the Disclosure Schedule, during the Pre-Closing Period, Fortis shall not, without the prior written consent of FibroGen (which consent shall not be unreasonably withheld, delayed or conditioned):

(i) amend its Constitutive Documents in a manner that is adverse to FibroGen or would reasonably be expected to impair in any material respect the ability of Fortis to perform its obligations under this Option Agreement or any agreement contemplated by this Option Agreement, or prevent or materially impede or delay the consummation of the Merger or any of the other transactions contemplated hereunder;

(ii) declare, set aside or pay any dividend on, or make any other distribution (whether in cash, stock or property) in respect of, any Fortis Capital Stock to holders of Fortis Capital Stock from time to time outstanding;

(iii) split, combine or reclassify any Fortis Capital Stock, or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of Fortis Capital Stock;

(iv) purchase, redeem or otherwise acquire any shares of Fortis Capital Stock, or any option, warrant, call or right relating to such shares, interests or other securities (including any Fortis Stock Options), other than any repurchase of Fortis Common Stock upon the termination of employment or service of any Fortis Personnel, pursuant to a right of repurchase in favor of Fortis in any Benefit Plan or Contract to which such Fortis Personnel is subject that has been made available to FibroGen and for a per share purchase price not in excess of the per share price set forth in such Benefit Plan or Contract;

(v) issue, grant, deliver, sell, pledge, subject to any Lien or otherwise dispose of, any shares of Fortis Capital Stock, any Fortis Stock Options, or any securities convertible into, or exchangeable for, Fortis Capital Stock or any Fortis Stock Options, Warrants or other options, warrants, calls or rights to acquire or receive, any such shares, interests or other securities or any stock appreciation rights, phantom stock awards or other rights that are linked in any way to the price of Fortis Common Stock or the value of Fortis or any part thereof, other than (A) the conversion of shares of Fortis Preferred Stock to Fortis Common Stock in accordance with the Constitutive Documents of Fortis and (B) the exercise, settlement or vesting of any Fortis Stock Options, Restricted Stock or other awards granted under the Fortis Stock Plan prior to the date hereof or in accordance with the written consent of FibroGen in accordance with their terms as in effect on the date hereof or the date of issuance, as applicable;

(vi) (A) create, incur or assume any Indebtedness (excluding clauses (x) and (xi) of the definition of Indebtedness), or issue or sell, or amend, modify or change any term of, any debt securities or options, warrants, calls or other rights to acquire any debt securities of Fortis, (B) guarantee or endorse any Indebtedness of another Person, (C) make any loans, advances or capital contributions to, or investments in, any Person other than Fortis, other than loans and advances to employees, independent contractors or consultants in the Ordinary Course of Business, (D) enter into any “keep well” or other Contract to maintain any financial statement condition of another Person or (E) enter into any Contract having the economic effect of any of the foregoing clauses (A) through (D);

(vii) sell, license, mortgage, transfer, dispose of or otherwise encumber or subject to any Lien other than a Permitted Lien (A) any properties or assets, which are material, individually or in the aggregate, to Fortis (excluding any sale of furniture, fixtures or equipment that does not materially impact the conduct of Fortis’ business) or (B) in any case, any Fortis Intellectual Property (or otherwise allow to lapse any rights under any such Fortis Intellectual Property) other than any non-exclusive license pursuant to any fee for service agreements entered into in the Ordinary Course of Business that do not convey any rights in any Intellectual Property generated to a Third Party as a result of the service conducted (it being expressly understood that Fortis shall not enter into any material transfer agreements with any Third Party without the prior written consent of FibroGen);

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(viii) acquire or agree to acquire (A) by merging or consolidating with, or by purchasing all or a substantial portion of the assets of, or by purchasing all or a substantial portion of the Capital Stock of, or by any other manner, any business or any other Person or any division thereof, or (B) any assets, including any interest in real property, other than in the Ordinary Course of Business, that are material, individually or in the aggregate, to Fortis;

(ix) make any new capital expenditure or expenditures, other than any which, individually, is less than or equal to [*], are less than or equal to [*];

(x) (A) pay, discharge, settle or satisfy any Liabilities (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge, settlement or satisfaction in the Ordinary Course of Business or in accordance with their terms, of Liabilities reserved in the balance sheet prepared by Fortis in the Ordinary Course of Business at the end of the then most recent quarter (for amounts not in excess of such reserves and to the extent such reserves are not since released) or incurred since the date of such balance sheet in the Ordinary Course of Business, (B) cancel any Indebtedness, (C) waive or assign any claims or rights of substantial value, or (D) waive, release or assign any material benefit under, or agree to amend in any respect materially adverse to Fortis, any Material Contract to which Fortis is a party;

(xi) accelerate or delay the payment of any account payable, other than in the Ordinary Course of Business;

(xii) initiate, launch or commence any sale, marketing, distribution, co-promotion or any similar activity with respect to any new product (including products under development) in or outside the United States;

(xiii) except as required to comply with any Contract or Benefit Plan in effect as of the date hereof and disclosed on a Schedule to this Option Agreement:

(A) increase the amount of any compensation payable or paid, whether conditionally or otherwise, to any Fortis Personnel (other than any increase adopted in the Ordinary Course of Business in respect of the compensation of any non-officer employee or independent contractor or consultant, in each case, whose annual base compensation does not exceed [*] after giving effect to such increase) or grant or promise to grant any new compensation or benefit entitlements to any Fortis Personnel;

(B) accelerate the timing, vesting or payment of any compensation or benefit payable to any Fortis Personnel of Fortis or any Affiliate;

(C) terminate, establish, adopt, enter into or amend any material Benefit Plan;

(D) hire, engage or terminate (other than a termination for cause) the employment or engagement of any employee or individual independent contractor who earns or will earn annual base compensation in excess of [*]; or

(E) implement any layoffs affecting ten (10) or more employees, place ten (10) or more employees on unpaid leave or furlough, or reduce the hours or weekly pay of ten (10) or more employees.

(xiv) enter into any lease or sublease of real property (whether as a lessor, sublessor, lessee or sublessee) or modify, amend, terminate or fail to exercise any right to renew any lease or sublease of real property;

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(xv) except to the extent otherwise expressly required by this Option Agreement or the Evaluation Agreement, and notwithstanding any other provision of this Section 7.2, engage in any new business or business activity relating to the Products;

(xvi) enter into any Contract (or any substantially related Contracts, taken together):

(A) that would be of a type that would constitute a Material Contract had such Contract been in effect on the date hereof, other than Contracts terminable by Fortis for any reason upon less than [*] notice without material penalty;

(B) providing for a research, license, sublicense, partnership or other collaboration with any biotechnology, pharmaceutical or similar company;

(C) providing for (i) the out-license of any Fortis Intellectual Property or Technology to any third party, other than any other than any non-exclusive license pursuant to fee for service agreements entered into in the Ordinary Course of Business that do not convey any rights in any Intellectual Property generated to a third party as a result of the service conducted (it being expressly understood that Fortis shall not enter into any material transfer agreements with any third party without the prior written consent of FibroGen), or (ii) the in-license of any Intellectual Property or Technology to Fortis other than pursuant to any fee for service agreements entered into in the Ordinary Course of Business;

(D) if consummation of the Merger or any of the other transactions contemplated by this Option Agreement will conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any material obligation or to a loss of a material benefit under, or result in the creation of any Lien (other than a Permitted Lien) in or upon any of the properties or assets of Fortis or any of Fortis' Affiliates under, any provision of such Contract; or

(E) with any Affiliate of Fortis, other than (i) on arms-length or better than arms-length terms for Fortis terms or (ii) than employment, individual independent contractor or consulting Contracts, subject to the other provisions of this Section 7.1(b).

(xvii) pay, discharge, settle or satisfy any Action unless (i) the claimant provides an unqualified release of any such claim, (ii) such settlement does not involve any injunctive relief binding upon Fortis, (iii) such settlement does not encumber any of the assets of Fortis or impose any restriction or condition that would apply or materially affect the conduct of Fortis and (iv) such settlement does not involve any admission of liability or wrongdoing;

(xviii) negotiate, adopt, enter into, amend or extend any collective bargaining agreement or other Contract with a Union;

(xix) commence, participate or agree to commence or participate in any plan or arrangement for the complete or partial dissolution, liquidation, merger, consolidation, restructuring, recapitalization, or other reorganization of Fortis (other than the Merger), including any bankruptcy, winding up, examinership, insolvency or similar proceeding in respect of Fortis;

(xx) create or have any Subsidiary of Fortis;

(xxi) fail to maintain Fortis' corporate existence, due organization and good standing under the Laws of the State of Delaware;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(xxii) employ or enter into any Contract with any investment banker, broker, finder or advisor in connection with the Merger or the other transactions contemplated by this Option Agreement other than any whose fees and expenses are deducted from the Closing Payment pursuant to the definition of the Closing Payment;

(xxiii) make or engage in any public offering of any securities of Fortis;

(xxiv) enter into any Contract not to compete in any line of business or geographic or therapeutic area or otherwise restricting the development, manufacture, marketing, distribution or sale of products that would be binding on FibroGen as a result of the Merger; or

(xxv) authorize any of, or commit, resolve or agree, whether in writing or otherwise, to take any of, the actions prohibited in Section 7.1(b)(i) through (xxiv).

Section 7.2. Tax Matters.

(a) During the period from the date of this Option Agreement to the Closing, Fortis shall (A) timely file all tax returns ("*Post-Signing Returns* XE "Post-Signing Returns" ") required to be filed by or on behalf of Fortis and timely pay all Taxes due and payable in respect of such Post-Signing Returns that are so filed; (B) submit any Post-Signing Returns that are to be filed after the date of this Option Agreement to FibroGen for review and comment prior to filing; (C) not take any position on such Post-Signing Returns that is inconsistent with past custom and practice unless required by applicable law; (D) promptly notify FibroGen of any Tax-related suit, claim, action, investigation, proceeding or audit (collectively, "*Tax Actions* XE "Actions" ") that is or becomes pending against or with respect to Fortis; (E) not make, change or rescind any material Tax election or settle or compromise any material Tax liability, other than with FibroGen's consent (which consent shall not be unreasonably withheld or delayed); (F) not, with respect to Fortis, without the prior written consent of FibroGen, change any Tax accounting period or method, or file any amended income or other material Tax Return; (G) not surrender any right to claim a refund of material Taxes, nor consent to any extension or waiver of the limitations period for the assessment of Taxes other than pursuant to automatic extensions of the due date for filing a Tax Return obtained in the Ordinary Course of Business; (H) except as required by GAAP, not revalue any material assets of Fortis; (I) not eliminate any reserves established on Fortis' books or change the method of accrual unless there is any change of significant facts or circumstances pertaining to any reserves which would justify their elimination; (J) not enter into any closing agreement with a Governmental Entity, voluntarily approach any taxing authority in respect of prior year Taxes (including through any voluntary disclosure process); (K) not change the Tax residency of Fortis; and (L) cause all existing Tax sharing agreements, Tax indemnity obligations and similar agreements, arrangements or practices with respect to Taxes to which Fortis is or may be a party or by which Fortis is or may otherwise be bound (other than agreements, arrangements or Contracts entered into in the Ordinary Course of Business the primary purpose of which is not Taxes) to be terminated as of the Closing Date so that after such date Fortis shall have no further rights or liabilities thereunder.

(b) FibroGen shall prepare and file, or cause to be prepared and filed, all Tax Returns of Fortis required to be filed after the Closing Date. To the extent such Tax Returns relate to a period (or portion thereof) ending on or prior to the Closing Date, such Tax Returns shall (i) be prepared consistent with past practice, unless otherwise required by applicable Law; (ii) be prepared in accordance with Sections 7.2(j)(iv)-(v); and (iii) include all Transaction Deductions on the income Tax Return of Fortis for the taxable period that includes the Closing Date to the extent deductible in a Pre-Closing Tax period at a "more likely than not" or higher level of comfort (as determined by a nationally recognized accounting firm) and include an election under Revenue Procedure 2011-29, 2011-18 I.R.B. 746, to apply the [*] to any Deal Fees that are "success based fees" as defined in Treasury Regulation Section 1.263(a)-5(f). FibroGen shall deliver a draft copy of each such Tax Return to the Sellers' Representative for its review and comment at least [*] before the due date thereof (taking into account any applicable extensions) in the case of income Tax Returns and as soon as practicable in the case of all other Tax Returns, and FibroGen shall consider in good faith any reasonable comments of the Sellers' Representative on such Tax Returns.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) Each of the parties hereto shall reasonably cooperate, and shall cause their respective Affiliates, officers, employees, agents, auditors and representatives reasonably to cooperate, in preparing and filing all Tax Returns of Fortis relating to any Pre-Closing Tax Period or Straddle Period, including retaining, maintaining and making available (with the right to make copies) all records in such party's possession which are reasonably relevant in connection with Taxes of Fortis relating to any Pre-Closing Tax Period or Straddle Period, and in resolving all disputes and audits with respect to all such Pre-Closing Tax Periods and Straddle Periods.

(d) Notwithstanding anything to the contrary in this Option Agreement, [*] of any Transfer Taxes shall be paid by the Sellers and [*] shall be paid by FibroGen, and the Sellers and FibroGen shall cooperate in timely making all Tax Returns as may be required to comply with the provisions of such Tax Laws. FibroGen and the Sellers will reasonably cooperate with each other to lawfully minimize any such Transfer Taxes.

(e) From the date hereof through the Closing Date, Fortis shall not effect any extraordinary transactions (other than any such transactions expressly required by applicable Law or by this Option Agreement) that would reasonably be expected to result in Tax liability to Fortis in a Post-Closing Tax Period in excess of Tax liability associated with the Ordinary Course of Business.

(f) Except to the extent required by Law, FibroGen shall not, and shall not permit the Surviving Corporation to: (i) except for Tax Returns that are filed in accordance with Section 7.2(b), file or amend any Tax Return relating to a Pre-Closing Tax Period, or (ii) with respect to Tax Returns filed pursuant to Section 7.2(b), after the date such Tax Returns are filed pursuant to Section 7.2(b), amend any such Tax Return except in accordance with the procedures set forth in Section 7.2(b), (iii) initiate discussions or examinations with, or make any voluntary disclosures to, any Governmental Entity regarding Taxes with respect to a Pre-Closing Tax Period, (iv) make or change any election with respect to Taxes for a Pre-Closing Tax Period of Fortis, or (v) change any accounting method that shifts taxable income from a Tax period beginning (or deemed to begin) after the Closing Date to a Pre-Closing Tax Period or shifts deductions or losses from a Pre-Closing Tax Period to a Tax period beginning (or deemed to begin) after the Closing Date, in each case, without the prior written consent of the Sellers' Representative (which shall not be unreasonably withheld, conditioned or delayed) to the extent any such action, would reasonably be expected to increase the amount of any Taxes taken into account in determining the amount of Pre-Closing Taxes or as a liability in calculating the Closing Liability Amount, or that could reasonably be expected to give rise to an increased claim for indemnification under this Option Agreement.

(g) Fortis shall cause the provisions of any Tax allocation, indemnity or sharing Contract to which Fortis is a party to be terminated on or before the Closing Date; *provided* that this provision shall not apply to agreements, arrangements or Contracts entered into in the Ordinary Course of Business the primary purpose of which is not Taxes.

(h) If Fortis fails to deliver the certificate set forth in Section 4.2(e) and the Merger is consummated, then FibroGen and the Surviving Corporation shall be permitted to treat Fortis as a U.S. real property holding corporation as defined in Section 897 of the Code and deduct from any payments made in accordance with this Option Agreement the amount of any tax withholding that is required under applicable Law.

(i) To the extent permitted or required, the taxable year of Fortis that includes the Closing Date shall close as of the end of the Closing Date. For purposes of this Option Agreement, in the case of any Straddle Period, the amount of Taxes based upon or measured by income, gain, activities, events or the level of any item for the Pre-Closing Tax Period, and any transaction-based Tax, will be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the Tax period of any pass-through entity will be deemed to terminate at such time), provided that any item determined on an annual periodic basis (such as exemptions, allowances or deductions, including depreciation and amortization deductions, other than with respect to property placed in service after the Closing) shall be apportioned on a daily basis. The amount of any other Taxes for a Straddle Period will be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction, the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the Straddle Period.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(j) The determination of "Closing Payment," "Aggregate Closing Merger Consideration Adjustment Amount," "Closing Indebtedness," and "Closing Liability Amount" shall, in each case, be calculated in accordance with the following assumptions:

(i) For income Tax purposes, the taxable year of Fortis ends as of the end of the day on the Closing Date;

(ii) No Taxes are incurred by Fortis on the Closing Date after the Closing outside the Ordinary Course of Business (other than as explicitly contemplated by this Option Agreement);

(iii) All Transaction Deductions are included as deductions against taxable income in the Pre-Closing Tax Period to the extent deductible in a Pre-Closing Tax period at a "more likely than not" or higher level of comfort (as determined by a nationally recognized accounting firm) and a timely election is made under Revenue Procedure 2011-29, 2011-18 I.R.B. 746, to apply the seventy percent (70%) safe-harbor to any Deal Fees that are "success based fees" as defined in Treasury Regulation Section 1.263(a)-5(f);

(iv) To the extent permitted by applicable Law, any net operating losses of Fortis arising in taxable periods ending (or deemed to end) on or prior to the Closing Date are applied against income arising in Pre-Closing Tax Periods (including, if permitted by applicable Law, pursuant to a carryback);

(v) Any estimated Tax payments for any Pre-Closing Tax Period shall reduce the liability for Taxes for such period; and

(vi) Solely for purposes of determining Taxes included in the Closing Liability Amount, all such Taxes shall be determined based upon the past practices (including reporting positions, elections and accounting methods) of Fortis or its Subsidiaries in preparing its Tax Returns and solely for jurisdictions in which Fortis or its Subsidiaries have historically filed Tax Returns or in which Fortis or a Subsidiary first commenced activities in the current or immediately preceding Tax period.

(k) The Sellers' Representative shall have the right to control any Tax Action, to the extent such Tax Action relates solely to taxable periods ending on or prior to the Closing Date and could reasonably be expected to form the basis for a claim for indemnification pursuant to this Option Agreement, and provided that (i) the Sellers' Representative shall keep FibroGen fully informed concerning the process of such Tax Action, (ii) the Sellers' Representative shall provide FibroGen copies of all correspondence and other documents relating to such Tax Action, (iii) FibroGen shall have the right to participate, at its own expense, in the conduct of such Tax Action, and (iv) the Sellers' Representative shall not settle such Tax Action without the prior written consent of FibroGen (which consent shall not be unreasonably withheld, conditioned or delayed). FibroGen shall control all other Tax Actions; *provided*, that to the extent the Sellers could reasonably be expected to have an indemnification obligation under this Agreement with respect to such Tax Action, (A) FibroGen shall keep the Sellers' Representative fully informed concerning the process of such Tax Action, (B) FibroGen shall provide the Sellers' Representative copies of all correspondence and other documents relating to such Tax Action, (C) the Sellers' Representative shall have the right to participate, at its own expense, in the conduct of such Tax Action, and (D) FibroGen shall not settle or compromise any such Tax Action without the prior written consent of the Sellers' Representative (which consent shall not be unreasonably withheld, conditioned or delayed). Notwithstanding anything to the contrary in this Option Agreement, all Tax Actions shall be governed by this Section 7.2(k) and not Section 9.5(e).

Section 7.3. Insurance. Unless otherwise consented to by FibroGen in writing (which consent shall not be unreasonably withheld, conditioned or delayed), Fortis shall keep all material insurance policies set forth on Section 5.17 of the Disclosure Schedule, or comparable replacements therefor, in full force and effect through the Effective Time; *provided*, *however*, that any such insurance policy may be amended or modified or substituted with another insurance policy (including a change in insurance carriers), so long as the coverage and limitations provided by such amended, modified or substituted insurance policy are not materially less favorable to Fortis as in the respective policies set forth in Section 5.17 of the Disclosure Schedule.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 7.4. Exclusivity.

(a) Fortis shall not, nor shall it authorize or permit any of its officers, directors, stockholders or Representatives or any of its Affiliates to, directly or indirectly through another Person, (i) solicit, initiate or knowingly encourage, or take any other action designed to, or which would reasonably be expected to, facilitate, any Transaction Proposal or (ii) enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any Person any confidential information, or otherwise knowingly cooperate in any way with, any Transaction Proposal. Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in the preceding sentence by any Representative of Fortis shall be a breach of this Section 7.4 by Fortis. Fortis shall, and shall direct its Representatives to, (i) immediately cease and cause to be terminated all existing discussions or negotiations with any Person conducted heretofore with respect to any Transaction Proposal and (ii) promptly after the date hereof request the prompt return or destruction of all confidential information previously furnished to such Person(s) within the [*] for the purpose of evaluating a possible Transaction Proposal.

(b) If Fortis or any of its officers, directors, stockholders or Representatives or any of its Affiliates, receives any Transaction Proposal, Fortis shall promptly advise FibroGen orally and in writing of such Transaction Proposal, the material terms and conditions of any such Transaction Proposal or inquiry (including any material changes thereto), a copy of any written materials received from such Person making the Transaction Proposal, but Fortis need not disclose the identity of the Person making any such Transaction Proposal or inquiry. Notwithstanding anything to the contrary, Fortis' covenant under Section 7.4(a) shall not be relieved or diminished upon the receipt of a Transaction Proposal.

Section 7.5. Indemnification of Officers and Directors.

(a) [*] FibroGen shall cause the Surviving Corporation to fulfill and honor in all respects the obligations of Fortis pursuant to any indemnification provisions under the certificate of incorporation and bylaws of Fortis as in effect on the date of this Option Agreement and pursuant to any indemnity agreements between Fortis and such Person [*] (the Persons entitled to be indemnified pursuant to such provisions, and all other current and former directors and officers of Fortis, being referred to collectively as the "*D&O Indemnified Parties*"). FibroGen shall cause the certificate of incorporation and bylaws of Merger Sub and the Surviving Corporation to contain the provisions with respect to indemnification and exculpation from liability set forth in Fortis' certificate of incorporation and bylaws on the date of this Option Agreement, which provisions shall not be amended, repealed or otherwise modified after the Effective Time in any manner that could adversely affect the rights thereunder of any D&O Indemnified Party.

(b) This Section 7.5 shall survive the consummation of the Merger and the Effective Time, is intended to benefit and may be enforced by the D&O Indemnified Parties, who shall be third-party beneficiaries of this Section 7.5, and shall be binding on all successors and assigns of FibroGen and the Surviving Corporation.

(c) [*].

(d) In the event that FibroGen or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, FibroGen shall ensure that the successors and assigns of FibroGen or the Surviving Corporation, as the case may be, shall assume the obligations set forth in this Section 7.5.

Section 7.6. No Right to Control Fortis Pre-Closing. Nothing contained in this Option Agreement is intended to give FibroGen, directly or indirectly, the right to control or direct Fortis' operations prior to the Effective Time. Prior to the Effective Time, Fortis shall exercise, consistent with the terms and conditions of this Option Agreement, complete control and supervision over its respective businesses, assets and properties.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 7.7. Confidentiality. Any information provided to either Party during the course of the negotiation of this Option Agreement and the Ancillary Agreements (whether obtained before or after the date of this Option Agreement) and during the period following the date of this Option Agreement and prior to the Closing, and the existence and terms of this Option Agreement (collectively, "*Confidential Information*"), shall be maintained in confidence by the receiving Party and shall not be disclosed to a third party or used for any purpose, except as expressly permitted under this Option Agreement or the Evaluation Agreement, without the prior written consent of the disclosing Party, except to the extent that such information:

(a) is publicly disclosed by the disclosing Party, either before or after it is disclosed to the receiving Party hereunder;

(b) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by the receiving Party's contemporaneous business records;

(c) is subsequently disclosed to the receiving Party or any of its Affiliates on a non-confidential basis by a third party that, to the receiving Party's knowledge, after reasonable inquiry, is not bound by a similar duty of confidentiality or restriction on its use;

(d) is now, or hereafter becomes, through no act or failure to act on the part of the receiving Party or any of its Affiliates, generally known or available to the public, either before or after it is disclosed to the receiving Party;

(e) is reasonably necessary to be disclosed in prosecuting or defending litigation relating to this Option Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby;

(f) is required to be disclosed to comply with applicable Law; or

(g) in the case of Fortis or the Seller's Representative, is reasonably necessary to be disclosed to (i) the Sellers (a) in order for Fortis to comply with stockholder disclosure obligations under applicable Law or solicit Seller signatures to a Joinders, Written Consent or Letter of Transmittal or (b) by the Sellers' Representative in accordance with Section 2.12(d) of this Agreement or (ii) advisors and representatives of Fortis or the Sellers' Representative who have a need to know such information.

If and whenever any Confidential Information of the disclosing Party is disclosed by the receiving Party in accordance with this Section 7.7, such disclosure shall not cause any such information to cease to be subject to the restrictions of this Section 7.7 except to the extent that such disclosure results in a public disclosure of such Confidential Information (other than by breach of this Option Agreement). Notwithstanding the foregoing, in the event a Party is required to make a disclosure of the other Party's Confidential Information pursuant to clauses (e) or (f) of this Section 7.7, it will, except where impracticable, give reasonable advance notice to the other Party of such disclosure and use not less than the same efforts to secure confidential treatment of such Confidential Information as it would to protect its own confidential information from disclosure. This Option Agreement, together with the Evaluation Agreement, supersedes the Mutual Confidential Disclosure Agreement [*], between Fortis and FibroGen; *provided*, *however*, that all "Confidential Information" disclosed or received by the Parties thereunder shall be subject to the restrictions set forth in this Section 7.7.

Section 7.8. Restrictive Covenants.

(a) Fortis agrees that, during the Option Period, it shall not, directly or indirectly (whether as principal, agent, employee, independent contractor, partner or otherwise), anywhere in the world in which Fortis conducts the Business as of the Closing, develop, manufacture, market, distribute or sell, or otherwise have any interest (financial or otherwise) in [*] (such drug, a "*Competing Product*"), except to the extent necessary to perform the obligations of Fortis under the Evaluation Agreement. [*]. Any breaches or violations by Fortis of this Section 7.8(a) shall be subject to indemnification by Fortis as set forth in Article 9.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(b) Fortis agrees that (i) his, her or its agreement to the covenants contained in this Section 7.8 is a material condition of FibroGen's willingness to enter into this Option Agreement and consummate the transactions contemplated hereby, (ii) the covenants contained in this Section 7.8 are necessary to protect the good will, confidential information, trade secrets and other legitimate interests of Fortis and FibroGen, (iii) in addition and not in the alternative to any other remedies available to it, FibroGen shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by Fortis, without having to post bond, (iv) the restricted period applicable to Fortis shall be tolled, and shall not run, during the period of any breach by such Person of any such covenants, (v) no breach of any provision of this Option Agreement shall operate to extinguish any Person's obligation to comply with this Section 7.8, and (vi) in the event that the final judgment of any court of competent jurisdiction declares any term or provision of this Section 7.8 to be invalid or unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

Section 7.9. Security Interest.

(a) Fortis hereby grants, assigns by way of security and pledges to FibroGen, a continuing and valid first priority lien and security interest in all presently existing and hereafter acquired, arising or developed general intangible assets of Fortis (the "*Collateral*") in order to secure any Losses incurred by FibroGen arising from a material breach of this Agreement by Fortis (the "*Security Interest*"), provided that the Security Interest shall not be enforceable and FibroGen shall have no right to take any action to enforce such Security Interest unless and until this Option Agreement is rejected under U.S.C. Title 11 (Bankruptcy Code) (the "*Rejection Time*"); *provided*, that in the event of any material breach by FibroGen of this Option Agreement or the Evaluation Agreement, this Section 7.9(a) shall be of no force or effect and be immediately null and void, and the Security Interest shall not be enforceable or, if such material breach occurs following the Rejection Time, the Security Interest shall automatically be terminated and released immediately upon such material breach.

(b) Fortis shall provide FibroGen with written notice at any time that (i) Fortis's board of directors or senior management seeks the advice of counsel concerning a potential bankruptcy, assignment for the benefit of creditors or similar proceeding; (ii) Fortis is unable to pay its debts as they become due; (iii) Fortis has cash on hand and marketable securities with an aggregate value less than the amount required to fund the then current calendar quarter plus at least the next two (2) succeeding calendar quarters of its budgeted operating expenses; or (iv) any corporate or other action is taken by Fortis for the purpose of authorizing or effecting any bankruptcy, assignment for the benefit of creditors or similar proceeding. Following the delivery of such notice, Fortis and FibroGen will discuss in good faith a potential approach for continued performance by Fortis under the Evaluation Agreement and Study Plan and either (i) an increase to the amount of the Development Fees paid by FibroGen under the Evaluation Agreement or (ii) FibroGen providing a consent or waiver of Fortis' obligations under Section 7.1(b)(v) or Section 7.1(b)(vi) of this Option Agreement solely for purposes of obtaining funding necessary for Fortis to complete its required activities under the Evaluation Agreement.

(c) In the event that this Agreement is terminated pursuant to Article 10, Section 7.9(a) shall be of no force or effect and be immediately null and void, and the Security Interest shall not be enforceable or, if such termination occurs following the Rejection Time, the Security Interest shall automatically be terminated and released immediately upon such termination and FibroGen shall take all actions necessary to promptly release the Collateral from the Security Interest.

Section 7.10. Additional Equityholders. During the Option Period, Fortis will require that, following receipt of the prior written consent of FibroGen under Section 7.1(b)(v), in the event any Person wishes to become a Fortis Equityholder, such Person shall, and Fortis shall cause such Person to, execute and deliver a Joinder and, if such Person wishes to become a Fortis Shareholder, a Written Consent to Fortis prior to such Person becoming a Fortis Equityholder, and Fortis will promptly thereafter provide copies of such documents to FibroGen.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.
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Section 7.11. 280G Matters. [*] Fortis shall use reasonable best efforts to: (a) seek a vote pursuant to the exemption contained in Section 280G(b)(5)(A)(ii) of the Code and the applicable regulations promulgated thereunder (the "*280G Stockholder Vote*") of any payments or benefits in respect of the Merger that may, separately or in the aggregate, constitute "parachute payments" under Section 280G of the Code (such, payments or benefits, the "*280G Payments*") and (b) cause, prior to any such 280G Stockholder Vote, any "disqualified individual" (as defined in Section 280G of the Code and the regulations thereunder and hereafter referred to as a "*Disqualified Individual*") to waive such Disqualified Individual's rights to receive some or all of any 280G Payments (the "*Waived Benefits*") pursuant to a parachute payment waiver to the extent necessary so that all remaining payments and benefits applicable to such Disqualified Individual shall not be deemed a parachute payment, and accepting in substitution for the Waived Benefits the right to receive the Waived Benefits only if approved by the stockholders of Fortis in a manner that complies with Section 280G(b)(5)(B) of the Code. Fortis shall provide FibroGen and its counsel with a copy of the waiver agreement, shareholder voting materials and the disclosure statement prepared in connection with the actions contemplated by this Section 7.10, as well as the underlying calculations and supporting documentation, [*]. [*], Fortis shall deliver to FibroGen notification and documentation reasonably satisfactory to FibroGen that, for any Disqualified Individual who has submitted the Waived Benefits to a 280G Stockholder Vote (i) a 280G Stockholder Vote was solicited in conformance with Section 280G of the Code and the applicable regulations promulgated thereunder and the requisite stockholder approval was obtained with respect to any 280G Payments (the "*280G Stockholder Approval*") or (ii) that the 280G Stockholder Approval was not obtained and, as a consequence, that the Waived Benefits shall not be made or provided to the Disqualified Individuals.

Section 7.12. Discharge of Indebtedness. With respect to each Payoff Recipient owed any portion of the Closing Indebtedness for borrowed money (if any), Fortis shall provide to FibroGen at or before the Closing with copies of payoff letters from each Payoff Recipient, each of which shall have been duly executed by such Payoff Recipient, (i) acknowledging the aggregate principal amount and all accrued but unpaid interest and any applicable prepayment or similar penalties and other fees constituting the Closing Indebtedness owed to such Payoff Recipient (ii) agreeing that all obligations and Indebtedness of Fortis to such Payoff Recipient through the Closing Date will be extinguished upon receipt of such payment on the Closing Date and (iii) agreeing to, after receipt of such payment, release all Liens related to such Indebtedness and return any possessory or original collateral.

Section 7.13. Incorporation of Merger Sub. [*].

ARTICLE 8
CERTAIN ADDITIONAL COVENANTS

Section 8.1. Commercially Reasonable Efforts. Following the delivery of the Exercise Notice and until the earlier of Closing or termination of this Option Agreement, the Parties agree that time is of the essence with respect to each Party's covenants and obligations under this Option Agreement, and, upon the terms and subject to the conditions set forth herein, each Party (other than the Sellers' Representative) shall use [*] to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate the other Party in doing, all things, in each case necessary or advisable to permit the consummation of the Merger and the other transactions contemplated by this Option Agreement, including the actions to be taken by Fortis as set forth in Section 4.2, obtaining any consents, authorizations, approvals, permits, licenses, or governmental authorizations, estoppel certificates and filings under any applicable Law (including any applicable filings and receiving termination or expiration of any waiting periods under the HSR Act and any applicable foreign competition, merger control, antitrust or similar Law) required to be obtained or made which may be reasonably necessary or appropriate to permit the consummation of the Merger and the other transactions contemplated by this Option Agreement. Without limiting the foregoing, in the event that (a) any Action of the type and having any of the effects described in Section 4.1(b) is pending or threatened or (b) any other legal restraint, Law or prohibition that could reasonably be expected to result, directly or indirectly, in any of the effects described in Section 4.1(b) is in effect, then each of Fortis and FibroGen shall use [*] to have such Action or other legal restraint, Law or prohibition vacated, reversed or made to be no longer in effect. Nothing in this Option Agreement shall be deemed to require FibroGen to agree to, or proffer to, divest, license or hold separate any rights or other assets or any portion of any business of FibroGen.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 8.2. Publicity.

(a) No Party shall, and each Party shall cause its Affiliates, officers, directors, employees, advisors and other Representatives not to, issue a press release or public announcement or otherwise make any public disclosure concerning the subject matter of this Option Agreement without the prior written approval of Fortis (if prior to the Closing) or the Sellers' Representative (if after the Closing), on the one hand, and FibroGen, on the other hand; *provided*, *however*, that any Party may make any public disclosure it believes in good faith is required by applicable Law or stock market rule and in such case such Party must, prior to making such disclosure, (a) use [*] to advise the other Party of such disclosure (including a copy thereof) as far in advance of such disclosure as is reasonably practicable and (b) consult with the other Party with respect to the content of such disclosure. Notwithstanding anything herein to the contrary, following Closing and after the public announcement of the Merger, the Sellers' Representative shall be permitted to announce that it has been engaged to serve as the Sellers' Representative in connection herewith as long as such announcement does not disclose any of the other terms hereof.

(b) Notwithstanding anything to the contrary in this Option Agreement, in the event Fortis or FibroGen proposes to file with the Securities and Exchange Commission or the securities regulators of any state or other jurisdiction a registration statement or any other disclosure document that describes or refers to the terms and conditions of this Option Agreement or any related agreements between the Parties, such Party shall notify Fortis (if prior to the Closing) or the Sellers' Representative (if after the Closing) or FibroGen, as applicable, of such intention and shall provide the Fortis (if prior to the Closing) or the Sellers' Representative (if after the Closing), or FibroGen, as applicable with a copy of relevant portions of the proposed filing at least [*] prior to such filing (and any revisions to such portions of the proposed filing a reasonable time prior to the filing thereof), including any exhibits thereto that refer to the other Party or the terms and conditions of this Option Agreement or any related agreements between the Parties. The Party making such filing shall cooperate in good faith with the other Party to obtain confidential treatment of the terms and conditions of this Option Agreement or any related agreements between the Parties that the other Party requests be kept confidential or otherwise afforded confidential treatment, and shall only disclose Confidential Information that it is reasonably advised by outside counsel is legally required to be disclosed. No such notice shall be required if the description of or reference to this Option Agreement or a related agreement between the Parties contained in the proposed filing has been included in any previous filing made by the either Party in accordance with this Section 8.2(b) or otherwise approved by the other Party to whom notification is required to be made in accordance with the first sentence of this Section 8.2(b).

Section 8.3. Antitrust Notification.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(a) Within [*] following the delivery of a Final Exercise Notice, FibroGen shall provide written notice to Fortis whether notification under the HSR Act is required or not in connection with the transactions contemplated by this Agreement. If such notice is provided and notification under the HSR Act is required, Fortis and FibroGen shall, as promptly as practicable following delivery of such notice (and in any event, no less than [*] of such notice) file with the FTC and the DOJ the premerger notification and report form, if any, required as a result of the Merger and the other transactions contemplated hereby, and shall include any supplemental information requested in connection therewith, pursuant to the HSR Act. Any such filing, notification and report form and supplemental information shall be in substantial compliance with the requirements of the HSR Act. The Parties shall work together and shall furnish to one another such necessary information and reasonable assistance as the other may request in connection with its preparation of any filing or submission which is necessary under the HSR Act. The Parties shall keep one another apprised of the status of any communications with, and any inquiries or requests for additional information from, the FTC, the DOJ or any other applicable Governmental Entity, and shall comply promptly with any such inquiry or request. Subject to applicable Law, each of Fortis and FibroGen shall have the right to review and comment in advance, and each shall consult with the other in connection with any filing made with, or written materials submitted to, any Governmental Entity in connection with any filing, investigation, or proceeding in connection with this Option Agreement or the transactions contemplated hereby. In connection with such collaboration, the Fortis and FibroGen each shall act reasonably and as promptly as practicable, including permitting a representative of the other to attend any meetings with a Governmental Entity, so long as permitted by that Governmental Entity. Notwithstanding the foregoing, neither Fortis nor FibroGen shall be required to provide business documents deemed highly confidential by the possessing Party (including documents submitted as attachments to the Party's Notification and Report Form under the HSR Act) to the other Party.

(b) From and after filings with the DOJ and FTC are made pursuant to Section 8.3(a), Fortis and FibroGen shall each use [*] to obtain any clearance required under the HSR Act (the "*HSR Approval*"), including replying at the earliest practicable date to any requests for information received from the FTC or DOJ pursuant to the HSR Act and making any permitted request for early expiration or termination of the applicable waiting periods under the HSR Act as soon as possible.

Section 8.4. Expenses. [*].

Section 8.5. Further Assurances. From time to time, as and when requested by any Party, the Parties shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as a Party may reasonably deem necessary or desirable in order to carry out the intent and accomplish the purposes of this Option Agreement and, subject to the conditions of this Option Agreement, the consummation of the transactions contemplated hereunder.

ARTICLE 9
INDEMNIFICATION

Section 9.1. Survival of Representations and Warranties. The representations and warranties of the Parties contained in this Option Agreement shall survive the Closing until the date which is [*]; *provided*, *however*, that (i) the Specified IP Representations shall survive the Closing until the date that is [*] and (ii) the Fundamental Representations shall survive the Closing until the date which is [*]. Each Indemnified Party must give a Claim Notice to the respective Indemnifying Party of any claim for indemnification under this Article 9 in accordance with Section 9.5. Any claim for indemnification included in a Claim Notice by the Indemnified Party on or prior to the expiration of the applicable survival period shall survive until such claim is finally and fully resolved. All of the covenants and other agreements of the Parties contained in this Option Agreement that are required to be performed at or prior to the Closing shall survive the Closing until the date which is [*]. All of the covenants and other agreements of the Parties contained in this Option Agreement that are required to be performed after the Closing shall survive until fully performed or fulfilled, except as otherwise provided in this Option Agreement. The Parties acknowledge that the time periods set forth in this Section 9.1 for the assertion of claims under this Agreement are the result of arms-length negotiation among the Parties and that they intend for the time periods to be enforced as agreed by the Parties. It is the express intent of the Parties that, if an applicable survival period as contemplated by this Section 9.1 is shorter or longer than the statute of limitations that would otherwise have been applicable, then, by contract, the applicable statute of limitations shall be reduced to the shortened survival period contemplated hereby or lengthened to the longer survival period contemplated hereby, as applicable.

Section 9.2. Indemnification of FibroGen. Subject to the limitations set forth in this Article 9, from and after the Closing, FibroGen and its Affiliates (including, from and after the Closing, the Surviving Corporation) and each of their respective officers, directors, Affiliates, and agents (each, a "*FibroGen Indemnified Party*") shall be indemnified and held harmless by Sellers, severally (according to each Seller's Indemnity Pro Rata Share) but not jointly, against any and all Losses, whether or not involving a Third Party Claim, arising out of or resulting from:

(a) the breach of or inaccuracy in any representation or warranty made by Fortis contained in Article 5 of this Option Agreement as of the Closing Date, except that the accuracy of any representations or warranties that by terms speak as of a specified date will be determined as of such date (in each case, as such representation or warranty would read if all qualifications as to materiality, including each reference to the words "Material Adverse Change", "material" and "materiality" and all similar phrases and words, were deleted therefrom, except with respect to the definition of "Material Contract" and all references to "Material Contract", the reference to "Material" in Section 5.6(j), the reference to "material" in clause (z) of the last sentence of Section 5.8, the reference to "Material Adverse Change" in Section 5.9(a), the reference to "material" in Section 5.9(b), the references to "material" in Section 5.10, the reference to "material" in the first paragraph of Section 5.13(a), and the references to "material" in Section 5.14(a) and Section 5.14(f));

(b) the breach or violation of any covenant or agreement of Fortis contained in this Option Agreement, whether occurring before or at the Closing but not after the Closing; or

(c) any Closing Indebtedness, Deal Fees, Change of Control Payments or Pre-Closing Taxes, in each case to the extent not taken into account in the calculation of the Final Closing Payment pursuant to Section 2.15.

Notwithstanding anything to the contrary contained in this Option Agreement, no FibroGen Indemnified Party will be entitled to indemnification under this Section 9.2 for Losses to the extent arising out of or resulting from (a) actions taken by FibroGen or its Affiliates under the Evaluation Agreement or otherwise prior to the Closing or (b) Disclosed Events.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 9.3. Indemnification of Sellers. Subject to the limitations set forth in this Article 9, from and after the Closing, each of the Sellers and each of their respective officers, directors, Affiliates, and agents (each, a "*Seller Indemnified Party*") shall be indemnified and held harmless by FibroGen against such Seller's Pro Rata Percentage of any and all Losses, whether or not involving a Third Party Claim, arising out of or directly or indirectly resulting from:

(a) the breach or violation of or inaccuracy in any representation or warranty made by FibroGen contained in this Option Agreement (in each case, as such representation or warranty would read if all qualifications as to materiality, including each reference to the words "Material Adverse Change", "material" and "materiality" and all similar phrases and words, were deleted therefrom); or

(b) the breach or violation of any covenant or agreement of FibroGen contained in this Option Agreement.

Section 9.4. Limits on Indemnification.

(a) [*].

(b) [*]

(c) [*]

(d) [*]

(e) [*]

Section 9.5. Notice of Loss; Third Party Claims.

(a) A claim for indemnification for any matter not involving a Third Party Claim may be asserted by written notice by FibroGen or the Sellers' Representative, as applicable, to the Indemnifying Party. Such notice shall include in reasonable detail the facts constituting the basis for such claim for indemnification, the sections of this Option Agreement upon which such claim for indemnification is then based and an estimate, if possible, of the amount of Losses suffered or reasonably expected to be suffered by the Indemnified Party (a "*Claim Notice*").

(b) Upon reasonable request, the Indemnified Party shall furnish the Indemnifying Party with any information to the extent that such information is reasonably necessary in order to evaluate the Claim Notice. If the Indemnifying Party in good faith objects to any claim made by the Indemnified Party in the Claim Notice, then the Indemnifying Party shall deliver a written notice (an "*Claim Dispute Notice*") to the Indemnified Party within [*] by the Indemnifying Party of a Claim Notice from such Indemnified Party. The Claim Dispute Notice shall set forth in reasonable detail the principal basis for the dispute of any claim made by the Indemnified Party in the Claim Notice. If the Indemnifying Party fails to deliver a Claim Dispute Notice prior to the expiration of such [*], then the indemnity claim set forth in the Claim Notice shall be conclusively determined in the Indemnified Party's favor for purposes of this Article 9, and the Indemnified Party shall be indemnified for the amount of the Losses stated in such Claim Notice (or, in the case of any notice in which the Losses (or any portion thereof) are estimated, the amount of such Losses (or such portion thereof) as finally determined) or, in the case of any notice in which the Losses (or any portion thereof) are estimated, on such later date when the amount of such Losses (or such portion thereof) becomes finally determined, in either case, subject to the limitations of this Article 9.

(c) If the Indemnifying Party delivers a Claim Dispute Notice, then the Indemnified Party and the Indemnifying Party shall attempt in good faith to resolve any such objections raised by Indemnifying Party in such Claim Dispute Notice. If the Indemnified Party and the Indemnifying Party agree to a resolution of such objection, then a memorandum setting forth the matters conclusively determined by the Indemnified Party and the Indemnifying Party shall be prepared and signed by both parties, and shall be binding and conclusive.

(d) If no such resolution can be reached during the [*] of a given Claim Dispute Notice, then upon the expiration of such [*] (or such longer period as may be mutually agreed), either FibroGen or the Seller's Representative may initiate any suit, action or proceeding in accordance with Section 11.4(a) to resolve such dispute.

(e) In the event that any Action shall be instituted or asserted by any Third Party in respect of which payment may be sought under Section 9.2 or Section 9.3 hereof (regardless of the limitations set forth in Section 9.4) (each, a "*Third Party Claim*"), the Indemnified Party shall promptly cause written notice of the assertion of any Third Party Claim of which it has knowledge which is covered by this indemnity to be forwarded to the Indemnifying Party. The failure of the Indemnified Party to give reasonably prompt notice of any Third Party Claim shall not release, waive or otherwise affect the Indemnifying Party's obligations with respect thereto except to the extent that the Indemnifying Party is actually prejudiced as a result of such failure. The Indemnifying Party shall have the right, [*] to be represented by counsel reasonably acceptable to the Indemnified Party and to defend against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any Losses indemnified by it hereunder; *provided*, *however*, that the Indemnifying Party may not assume control of defense to a Third Party Claim (i) involving criminal liability or in which equitable relief other than monetary damages is sought, (ii) involving a purported class action, (iii) if the Indemnifying Party has not notified the Indemnified Party in writing that it will be liable to indemnify the Indemnified Party with respect to all Losses relating to such Third Party Claim subject to the limitations of Section 9.4, or (iv) if the Third Party Claim relates to Fortis Intellectual Property. If the Indemnifying Party elects to defend against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any Losses indemnified by it hereunder, it shall within [*] notify the Indemnified Party of its intent to do so. If the Indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any Losses indemnified against hereunder, or is not permitted to assume the defense of a Third Party Claim pursuant to the proviso to the third sentence of this Section 9.5(b), the Indemnified Party may defend against, negotiate, settle or otherwise deal with such Third Party Claim, subject to the provisions below. If the Indemnifying Party shall assume the defense of any Third Party Claim pursuant to the terms of this Option Agreement, the Indemnified Party may participate, [*] in the defense of such Third Party Claim; *provided*, *however*, that such Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the Indemnifying Party if (A) so requested by the Indemnifying Party to participate or (B) in the reasonable opinion of outside counsel to the Indemnified Party a conflict or potential conflict exists between the Indemnified Party and the Indemnifying Party that would make such separate representation advisable; and *provided*, *further*, that the Indemnifying Party shall not be required to pay for more than one such counsel for all Indemnified Parties in connection with any Third Party Claim. The Parties hereto agree to reasonably cooperate with each other in connection with the defense, negotiation or settlement of any Third Party Claim. Notwithstanding anything in this Section 9.5 to the contrary, neither the Indemnifying Party nor the Indemnified Party shall, without the written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), settle or compromise any Third Party Claim or permit a default or consent to entry of any judgment unless (1) the claimant provides to such other Party an unqualified release of the Indemnified and Indemnifying Parties from all liability in respect of such Third Party Claim, (2) where the Indemnifying Party is the controlling Party, such settlement does not involve any injunctive relief binding upon the Indemnified Party or any of its Affiliates, (3) where the Indemnifying Party is the controlling Party, such settlement does not encumber any of the material assets of any Indemnified Party or impose any restriction or condition that would apply to or materially affect any Indemnified Party or the conduct of any Indemnified Party's business and (4) where the Indemnifying Party is the controlling Party, such settlement does not involve any admission of liability or wrongdoing by any Indemnified Party or any of its Affiliates. Notwithstanding anything to the contrary in this Option Agreement, all Tax Actions shall be governed by Section 7.2(k) and not this Section 9.5(e).

(f) In the event that the Indemnified Party conducts the defense of the Third Party Claim pursuant to this Section 9.5, the Indemnifying Party will remain responsible for any and all other Losses that the Indemnified Party may incur or suffer resulting from, arising out of, relating to, in the nature of or caused by the Third Party Claim to the fullest extent provided in this Article 9, but solely to the extent the Indemnified Party shall have proved its right for indemnification pursuant to this Article 9 and such Losses are indemnifiable pursuant to this Article 9. [*]. [*]

Section 9.6. Tax Treatment. To the extent permitted by Law, the Parties agree to treat all payments made under this Article 9, under any other indemnity provision contained in this Option Agreement, and for any misrepresentations or breach of warranties or covenants as adjustments to the purchase price for all Tax purposes.

Section 9.7. Remedies. [*] except as specifically provided herein, [*] of any Indemnified Party for any breach or failure to be true and accurate, or alleged breach or failure to be true and accurate, of any representation or warranty in this Option Agreement, or any breach or violation of any covenant in this Option Agreement to be performed [*] or otherwise relating to matters with respect to this Agreement shall be indemnification in accordance with this Article 9. Notwithstanding the foregoing, this Section 9.7 shall not operate to limit the rights of the Parties to seek equitable remedies (including specific performance or injunctive relief) or, any remedies or amounts of damages available to it under applicable Law, against any Seller in the event of (a) Fraud committed by such Seller or (b) a Seller's breach or violation of any covenant in any Ancillary Agreement, subject to the limitation set forth in the last sentence of Section 9.4(c).

Section 9.8. Set-Off. [*]

Section 9.9. No Circular Recovery. Each Seller hereby agrees that he, she or it will not make any claim for indemnification against FibroGen, the Surviving Corporation or Fortis by reason of the fact that such Seller was a controlling Person, director, employee or Representative of Fortis or the Surviving Corporation or was serving as such for another Person at the request of FibroGen or Fortis (whether such claim is for Losses of any kind or otherwise and whether such claim is pursuant to any statute, organizational document, contractual obligation or otherwise) with respect to any indemnification claim brought by an Indemnified Party against Sellers pursuant to Section 9.2. With respect to any claim brought by an Indemnified Party against Sellers pursuant to Section 9.2, each Seller expressly waives any right of subrogation, contribution, advancement, indemnification or other claim against Fortis with respect to any amounts owed by such Seller pursuant to this Article 9. Notwithstanding the foregoing, nothing in this Section 9.9 shall limit the D&O Indemnified Parties right to indemnification, exculpation and insurance pursuant to Section 7.5.

Section 9.10. No Duplicative Recovery. The Sellers shall not be required to indemnify any FibroGen Indemnified Party under this Agreement with respect to any Losses if Fortis has paid damages to or indemnified FibroGen or such FibroGen Indemnified Party, as applicable, under the Evaluation Agreement for the same Losses or that relate to the same underlying facts or circumstances. In addition, no Indemnified Party shall be entitled to multiple recovery for any indemnifiable Losses that may have resulted from the breach or inaccuracy of more than one of the representations, warranties, agreements and covenants in this Agreement or that may be recoverable under more than one clause of Section 9.2 or Section 9.3 or that relate to the same underlying facts or circumstances.

ARTICLE 10
TERMINATION

Section 10.1. Termination. This Option Agreement may be terminated, and the Merger contemplated hereby may be abandoned, at any time prior to the Closing:

(a) automatically, (i) upon termination of the Evaluation Agreement by FibroGen without cause pursuant to Section 11.2 of the Evaluation Agreement, (ii) upon termination of the Evaluation Agreement by Fortis pursuant to Section 11.3 of the Evaluation Agreement, (iii) upon termination of the Evaluation Agreement by Fortis pursuant to Section 11.4 of the Evaluation Agreement if such termination of the Evaluation Agreement occurs on or prior to the date that is two (2) years after the date of this Option Agreement or (iv) at [*] day following the termination of the Evaluation Agreement by FibroGen pursuant to Section 11.4 of the Evaluation Agreement if FibroGen shall not have delivered the [*] following the termination of the Evaluation Agreement by FibroGen pursuant to Section 11.4 of the Evaluation Agreement;

(b) by FibroGen, at any time for any reason prior to the Closing;

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(c) by mutual written consent of FibroGen, on the one hand, and Fortis, on the other hand;

(d) by Fortis, if any court of competent jurisdiction or other Governmental Entity shall have issued a final and nonappealable order, injunction or decree having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger;

(e) [*]; or

(f) automatically, if (i) FibroGen sends a Rejection Notice to Fortis prior to the expiration of the Due Diligence Review Period, (ii) FibroGen withdraws the Exercise Notice prior to the expiration of the Due Diligence Review Period, or (iii) FibroGen does not deliver the Final Exercise Notice prior to the expiration of the Due Diligence Review Period.

Section 10.2. Effect of Termination. If this Option Agreement is terminated and the Merger and the other transactions contemplated hereby are abandoned as described in this Article 10, this Option Agreement shall become void and of no further force or effect, except for the provisions of Section 7.7, Section 8.2, Section 8.4, Article 11, and this Section 10.2 and FibroGen's right of reimbursement (if applicable) under Section 7.1(a); *provided* that nothing in this Section 10.2 shall be deemed to release any Party from any liability for any Fraud or any willful and material breach by such Party of any covenant or agreement contained in this Option Agreement.

ARTICLE 11
MISCELLANEOUS

Section 11.1. Notices. All notices, requests, claims, demands, waivers and other communications under this Option Agreement shall be in writing and shall be by electronic mail, courier services or personal delivery to the following addresses, or to such other addresses as shall be designated from time to time by a Party in accordance with this Section 11.1:

(a) if to FibroGen:

[*]

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

[*]

[*]

(b) if to Fortis:

[*]

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

[*]

(c) if to the Sellers' Representative:

[*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.
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All notices and communications under this Option Agreement shall be deemed to have been duly given (i) when delivered by hand, if personally delivered, (ii) upon receipt when delivered by a courier (such date of receipt being evidenced by the courier's service records) or (iii) when sent, if sent by electronic mail (unless an undelivered or "bounceback" message is received by the sender).

Section 11.2. Assignment. Neither this Option Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise by any of the Parties prior to the Closing without the prior written consent of the other Parties, except that (without limiting or relieving any of FibroGen's obligations under this Option Agreement) FibroGen may assign, in its sole discretion, any or all of its rights, interests and obligations under this Option Agreement to (a) any Affiliate of FibroGen, or (b) to a purchaser of all or substantially all of FibroGen's assets or equity interests or in connection with any transaction in which FibroGen transfers, assigns, licenses, sub-licenses, sells or otherwise disposes all or substantially all of the Products and Modified Products, and all Intellectual Property rights related thereto to a Third Party; *provided*, that, the obligations and terms of Section 2.13(f) shall apply to such assignment, and with respect to any such assignment made at or prior to the Effective Time, FibroGen shall cause such transferee to agree in writing to be bound by all of the obligations of FibroGen hereunder, including FibroGen's obligations under Section 2.4. Subject to the preceding sentence, this Option Agreement shall be binding upon, inure to the benefit of and be enforceable by, the Parties and their respective successors and assigns.

Section 11.3. Consents and Approvals. For any matter under this Option Agreement requiring the consent or approval of any Party, to be valid and binding on the Parties, such consent or approval must be in writing.

Section 11.4. Enforcement.

(a) Any suit, action or other proceeding arising out of this Option Agreement or any transaction contemplated hereby shall be brought exclusively in the Court of Chancery of the State of Delaware; *provided*, that if jurisdiction is not then available in the Court of Chancery of the State of Delaware, then any such suit, action or proceeding may be brought in a court of competent jurisdiction, federal or state, located in the State of Delaware, and in no other jurisdiction. Each Party hereby consents to personal jurisdiction and venue in, and agrees to service of process issued or authorized by, such court. This Section 11.4(a) shall not apply to any dispute under Section 2.15 that is required to be decided by the Auditor.

(b) The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law in the event that any of the provisions of this Option Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, notwithstanding anything in this Option Agreement to the contrary and in addition to any other remedy to which a non-breaching Party may be entitled at Law, a Party may seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction in order to prevent immediate and irreparable injury, loss, or damage on a provisional basis, pending the decision of the courts on the ultimate merits of any suit, action or other proceeding arising out of this Option Agreement or any transaction contemplated hereby.

(c) During the pendency of any dispute resolution proceeding between the Parties under this Section 11.4, the obligation to make any payment under this Option Agreement from one Party to the other Party, which payment is the subject, in whole or in part, of a proceeding under this Section 11.4, shall be tolled until the final outcome of such dispute has been established.

(d) Any and all activities conducted under this Section 11.4, including any and all proceedings and decisions under Section 11.4(a), shall be subject to the restrictions set forth in Section 7.7.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

(e) In connection with the Parties' rights under Section 11.4(a), EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS OPTION AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE.

Section 11.5. Amendment and Waiver.

(a) No failure or delay on the part of any Party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Except as expressly set forth in Article 9, the remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to any Party at Law, in equity or otherwise.

(b) Except as otherwise specifically set forth in this Option Agreement, this Option Agreement may be amended by (i) Fortis and FibroGen at any time prior to Closing and (ii) the Sellers' Representative and FibroGen at any time after the Closing, whether before or after the Shareholder Approval has been obtained; *provided*, *however*, that, after the Shareholder Approval has been obtained, there shall be made no amendment that by Law requires further approval by stockholders of Fortis, without the further approval of such stockholders. This Option Agreement may not be amended except by an instrument in writing signed on behalf of FibroGen and [*].

(c) Except as otherwise specifically set forth in this Option Agreement, any waiver of any provision of this Option Agreement shall be effective (i) only if it is made or given in writing and signed by the Party granting the waiver and (ii) only in the specific instance and for the specific purpose for which made or given.

Section 11.6. Entire Agreement. This Option Agreement and the Evaluation Agreement, together with their schedules (including the Disclosure Schedule and the Updated Disclosure Schedule) and exhibits and all Ancillary Agreements, contain the entire agreement and understanding between the Parties with respect to the subject matter hereof and thereof and supersede all prior discussions, negotiations, commitments, agreements and understandings, both written and oral, relating to such subject matter.

Section 11.7. No Third-Party Beneficiaries. Except as otherwise provided in this Option Agreement, this Option Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the Parties and such successors and assigns, any legal or equitable rights hereunder (except that (i) Article 9 is intended to benefit the FibroGen Indemnified Parties and the Seller Indemnified Parties, and the FibroGen Indemnified Parties and the Seller Indemnified Parties shall be third-party beneficiaries of Article 9, (ii) Section 7.5 is intended to benefit the D&O Indemnified Parties, and the D&O Indemnified Parties shall be third-party beneficiaries of Section 7.5, and (iii) following the Closing, all Sellers shall be deemed to be third-party beneficiaries of the provisions of Article 2). No covenant or other undertakings in this Option Agreement shall constitute an amendment to any plan, program, policy or arrangement, and any covenant or undertaking that suggests that a plan, program, policy or arrangement will be amended shall be effective only upon the adoption of a written amendment in accordance with the amendment procedures of such plan, program, policy or arrangement. Nothing in this Section 11.7 shall be construed to impair the rights and powers of the Sellers' Representative to take or refrain from taking any action for and on behalf of the Sellers to enforce the rights of the Sellers under this Option Agreement as provided in Section 2.12.

Section 11.8. Counterparts. This Option Agreement may be executed in any number of counterparts and by the Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Option Agreement may be executed by facsimile, .pdf or other electronically transmitted signatures and such signatures shall be deemed to bind each Party hereto as if they were the original signatures.

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

Section 11.9. Governing Law. This Option Agreement shall be governed by, and construed in accordance with, the substantive Law of the [*], regardless of the Laws that might otherwise govern under applicable principles of conflict of laws thereof.

Section 11.10. Severability. Any term or provision of this Option Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. The Parties shall use all reasonable efforts to replace such invalid or unenforceable provision of this Option Agreement with a valid and enforceable provision that shall achieve, to the greatest extent possible, the economic, business and other purposes of such invalid or unenforceable provision.

Section 11.11. English Language. This Option Agreement shall be written and executed in, and all other communications under or in connection with this Option Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

Section 11.12. Conflict of Interest. If the Sellers' Representative so desires, acting on behalf of the Sellers and without the need for any consent or waiver by Fortis or FibroGen, Cooley LLP ("*Cooley*") shall be permitted to represent the Sellers' Representative or the Sellers after the Closing in connection with any matter, including without limitation, anything related to the transactions contemplated by this Option Agreement, any other agreements referenced herein or any disagreement or dispute relating thereto. Without limiting the generality of the foregoing, after the Closing, Cooley shall be permitted to represent the Sellers' Representative, the Sellers, any of their agents and Affiliates, or any one or more of them, in connection with any negotiation, transaction or dispute (including any litigation, arbitration or other adversary proceeding) with FibroGen, Fortis or any of their agents or Affiliates under or relating to this Option Agreement, any transaction contemplated by this Option Agreement, and any related matter, such as claims or disputes arising under other agreements entered into in connection with this Option Agreement, including with respect to any indemnification claims. Upon and after the Closing, Fortis shall cease to have any attorney-client relationship with Cooley, unless and to the extent Cooley is specifically engaged in writing by Fortis to represent Fortis after the Closing and either such engagement involves no conflict of interest with respect to the Sellers or the Sellers' Representative consents in writing at the time to such engagement. Any such representation of Fortis by Cooley after the Closing shall not affect the foregoing provisions hereof.

Section 11.13. Attorney-Client Privilege. FibroGen and Fortis agree that all communications between Fortis or the Sellers, on the one hand, and Cooley, on the other hand, relating to the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (the "*Covered Materials*"), shall belong to and be controlled by the Sellers' Representative, and not by the Surviving Corporation, following the Closing, and may be waived only by the Sellers' Representative, and not the Surviving Corporation, and shall not pass to or be claimed or used by FibroGen or the Surviving Corporation. Absent the consent of the Sellers' Representative, neither FibroGen nor the Surviving Corporation shall have a right to access the Covered Materials following the Closing and, in the event FibroGen or the Surviving Corporation accesses Covered Materials in violation of this sentence, such access will not waive or otherwise affect the rights of the Sellers' Representative with respect to the related privilege or protection. Notwithstanding the foregoing, if a dispute arises between FibroGen or the Surviving Corporation, on the one hand, and a third party other than (and unaffiliated with) the Sellers and the Sellers' Representative, on the other hand, after the Closing, then the Surviving Corporation may assert such attorney-client privilege to prevent disclosure to such Covered Materials.

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Section 11.14. FibroGen Acknowledgment. FibroGen hereby acknowledges and agrees that, (a) FibroGen has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, financial condition and assets of Fortis and that it has been provided adequate access to the personnel, books and records, assets and other documents and data of Fortis for such purpose, (b) FibroGen has relied solely upon its own investigation and the express representations and warranties of Fortis expressly set forth in Article 5 and any certificate delivered by Fortis pursuant to this Option Agreement (in each case as qualified or modified by the Disclosure Schedule or the Updated Disclosure Schedule, as it may be updated pursuant to this Agreement) and disclaims reliance on any other representations and warranties of any kind or nature express or implied, (c) except for the representations and warranties of Fortis expressly set forth in Article 5 and any certificate delivered by Fortis pursuant to this Option Agreement (in each case as qualified or modified by the Disclosure Schedule or the Updated Disclosure Schedule, as it may be updated pursuant to this Agreement) and the Evaluation Agreement, none of Fortis, or any of its Affiliates, stockholders, directors, officers, employees, independent contractors, consultants, agents, or Representatives has made or is making any express or implied representation or warranty with respect to Fortis or its business, operation or condition, including with respect to any estimates, projections, forecasts, forward-looking statements or business plans, and FibroGen will have no claim against Fortis or any of its Affiliates, equityholders, directors, officers, employees, independent contractors, consultants, agents or Representatives, or any other Person, with respect thereto, including as to the accuracy or completeness of any information provided.

[Remainder of page intentionally left blank; signature pages follow.]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

IN WITNESS WHEREOF, the Parties have caused this Option Agreement to be signed by their duly authorized representatives as of the date first written above.

FIBROGEN:

FIBROGEN, INC.

By: /s/ [*]
Name: [*]
Title: [*]

[*Signature Page to Option Agreement and Plan of Merger*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

IN WITNESS WHEREOF, the Parties have caused this Option Agreement to be signed by their duly authorized representatives as of the date first written above.

FORTIS:

FORTIS THERAPEUTICS, INC.

By: /s/ [*]_____
Name: [*]
Title: [*]

[*Signature Page to Option Agreement and Plan of Merger*]

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would likely cause competitive harm to the company if publicly disclosed.

IN WITNESS WHEREOF, the Parties have caused this Option Agreement to be signed by their duly authorized representatives as of the date first written above.

SELLERS' REPRESENTATIVE:

SHAREHOLDER REPRESENTATIVE SERVICES LLC

By: /s/ [*]
Name: [*]
Title: [*]

[*Signature Page to Option Agreement and Plan of Merger*]

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Exhibit A

Joinder

[*]

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Exhibit B

Written Consent

[*]

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Exhibit C

Certificate of Merger

[*]

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Exhibit D

Amended and Restated Charter of Surviving Corporation

[*]

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Exhibit E

Letter of Transmittal

[*]

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Exhibit F

Exercise Notice

[*]

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Exhibit G

Fortis Compliance Certificate

[*]

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Exhibit H

Form of Restrictive Covenants Agreement

[*]

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SCHEDULE I

[*]

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SCHEDULE 1.55

CVR PRODUCT
[*]

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SCHEDULE 4.2(C)

GOVERNMENTAL APPROVALS

[*]

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SCHEDULE 4.2(D)

CONTRACTUAL CONSENTS

[*]

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Exhibit 31.1

CERTIFICATION

I, Thane Wettig, certify that:

1. I have reviewed this Form 10-Q of FibroGen, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2023

/s/ Thane Wettig
Thane Wettig
Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Juan Graham, certify that:

1. I have reviewed this Form 10-Q of FibroGen, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2023

/s/ Juan Graham
Juan Graham
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Thane Wettig, Interim Chief Executive Officer of FibroGen, Inc. (the "Company"), and Juan Graham, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1.The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2023, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2.The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2023

In Witness Whereof, the undersigned have set their hands hereto as of the 7th day of August, 2023.

/s/ Thane Wettig	/s/ Juan Graham
Thane Wettig	Juan Graham
Interim Chief Executive Officer	Senior Vice President and Chief Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of FibroGen, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.