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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

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

For the quarterly period ended March 31, 2019

OR

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

Commission File Number 001-38135

DOVA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**81-3858961**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

240 Leigh Farm Road, Suite 245
Durham, North Carolina 27707
(Address of principal executive offices and zip code)

(919) 748-5975
(Registrant's telephone number, including area code)

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 definition 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 registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	DOVA	The Nasdaq Stock Market, LLC

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding Shares as of May 6, 2019
Common Stock, $0.001 par value	28,232,730

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Part I. Financial Information

Item 1. Financial Statements (unaudited)

Dova Pharmaceuticals, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	March 31, 2019 (unaudited)	December 31, 2018
ASSETS		
Current assets		
Cash and equivalents	$ 92,703	$ 104,566
Accounts receivable, net	225	612
Inventory, net	4,310	4,390
Prepaid expenses and other current assets	1,892	2,239
Total current assets	99,130	111,807
Furniture and equipment, net	362	362
Operating lease asset	1,336	—
Total assets	**$ 100,828**	**$ 112,169**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 468	$ 781
Accrued expenses	12,139	11,935
Accrued interest	73	79
Due to related party	17	35
Current portion of operating lease liability	338	—
Current portion of long-term debt	9,167	6,667
Total current liabilities	22,202	19,497
Deferred revenue	2,373	2,373
Long-term operating lease liability	1,287	—
Long-term debt	11,674	13,941
Total liabilities	**37,536**	**35,811**
Commitments and contingencies		
Stockholders' equity		
Undesignated preferred stock, $0.001 par value; 10,000,000 shares authorized; no shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	—	—
Common stock, $0.001 par value; 100,000,000 shares authorized; 28,232,730 and 28,204,098 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	28	28
Additional paid-in capital	209,070	205,757
Accumulated deficit	(145,806)	(129,427)
Total stockholders' equity	63,292	76,358
Total liabilities and stockholders' equity	**$ 100,828**	**$ 112,169**

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

Dova Pharmaceuticals, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	Three months ended March 31,	
	2019	**2018**
Revenue		
Product sales, net	$ 4,001	$ —
Total revenue, net	4,001	—
Operating expenses:		
Cost of product sales	515	—
Research and development	4,084	3,416
Selling, general and administrative	15,754	10,261
Total operating expenses	20,353	13,677
Loss from operations	**(16,352)**	**(13,677)**
Interest income and other income, net	537	222
Interest expense	(564)	(315)
Total other expenses, net	(27)	(93)
Net loss	**$ (16,379)**	**$ (13,770)**
Net loss per share, basic and diluted	$ (0.58)	$ (0.52)
Weighted average common shares outstanding, basic and diluted	28,221,346	26,589,192

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

Dova Pharmaceuticals, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount			
Balance as of December 31, 2018	**28,204,098**	**$ 28**	**$ 205,757**	**$ (129,427)**	**$ 76,358**
Exercise of stock compensation awards	22,454	—	100	—	100
Vesting of restricted stock units	6,178	—	—	—	—
Stock based compensation	—	—	3,213	—	3,213
Net Loss	—	—	—	(16,379)	(16,379)
Balance as of March 31, 2019	**28,232,730**	**$ 28**	**$ 209,070**	**$ (145,806)**	**$ 63,292**

	Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount			
Balance as of December 31, 2017	**25,652,457**	**$ 26**	**$ 118,301**	**$ (57,145)**	**$ 61,182**
Exercise of stock compensation awards	38,809	—	145	—	145
Issuance of common stock in connection with secondary offering, net of offering costs	2,500,000	2	74,727	—	74,729
Stock based compensation	—	—	2,816	—	2,816
Net Loss	—	—	—	(13,770)	(13,770)
Balance as of March 31, 2018	**28,191,266**	**$ 28**	**$ 195,989**	**$ (70,915)**	**$ 125,102**

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

Dova Pharmaceuticals, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Three months ended March 31,	
	2019	**2018**
Cash flows from operating activities		
Net loss	$ (16,379)	$ (13,770)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	19	3
Amortization of debt discount and debt issuance costs	233	—
Stock-based compensation	3,213	2,816
Other non-cash items	24	—
Changes in operating assets and liabilities:		
Accounts receivable, net	387	—
Inventory	80	—
Prepaid expenses	517	(153)
Accounts payable	(313)	(832)
Accrued expenses	299	1,249
Accrued interest	(6)	(1,005)
Due to related party	(18)	(93)
Other liabilities	—	44
Net cash used in operating activities	(11,944)	(11,741)
Cash flows from investing activities		
Purchases of furniture and equipment	(19)	(129)
Net cash used in investing activities	(19)	(129)
Cash flows from financing activities		
Payment of note payable	—	(31,077)
Term loan closing costs	—	(40)
Proceeds from exercise of stock options	100	45
Proceeds from the issuance of common stock	—	80,000
Payment of offering cost in connection with issuance of common stock	—	(5,007)
Net cash provided by financing activities	100	43,921
Net change in cash and equivalents	(11,863)	32,051
Cash and equivalents at the beginning of the period	104,566	94,846
Cash and equivalents at the end of the period	**$ 92,703**	**$ 126,897**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 337	$ 1,321
Supplemental disclosure of noncash investing and financing activities:		
Accrued offering costs	$ —	$ 265
Shares issued from the early exercise of options	$ —	$ 100

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

Dova Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1—Organization and description of business operations

Dova Pharmaceuticals, Inc. (“Dova” or the "Company") was originally formed as PBM AKX Holdings, LLC, a limited liability company formed under the laws of the State of Delaware on March 24, 2016. PBM AKX Holdings, LLC changed its name to Dova Pharmaceuticals, LLC by filing a Certificate of Amendment to its Certificate of Formation with the State of Delaware on June 15, 2016. Dova converted from a limited liability company to a corporation on September 15, 2016.

Dova is a pharmaceutical company focused on acquiring, developing and commercializing drug candidates for diseases that are treated by specialist physicians, with an initial focus on addressing thrombocytopenia, a disorder characterized by a low blood platelet count. On May 21, 2018, the U.S. Food and Drug Administration (“FDA”) approved DOPTELET (avatrombopag), which is an orally administered thrombopoietin receptor agonist for the treatment of thrombocytopenia in adult patients with chronic liver disease (“CLD”) scheduled to undergo a procedure.

The unaudited condensed consolidated financial statements of the Company include the results of operations for the three months ended March 31, 2019 and March 31, 2018.

Note 2—Significant accounting policies

Basis of presentation and principles of consolidation

The Company’s unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and include all adjustments necessary for the fair presentation of the Company’s financial position for the periods presented. The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results for the full year or the results for any future periods and should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2018 in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on March 5, 2019.

Liquidity and capital resources

The Company has incurred substantial operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of March 31, 2019, the Company had an accumulated deficit of $145.8 million.

Since inception, the Company has financed its operations through the issuance of equity and debt with net aggregate proceeds of $238.0 million. Although the Company began generating revenue from product sales of DOPTELET in June 2018, the Company does not expect product revenue to be sufficient to satisfy its operating needs for several years, if ever. As of March 31, 2019, the Company had $92.7 million in cash and equivalents. Based on the Company’s forecast of future cash flows, the Company believes that it has adequate cash and equivalents to continue to fund operations in the normal course of business for at least the next 12 months.

Use of estimates

The preparation of financial statements in conformity with 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 condensed consolidated financial statements and the reported amounts of expenses during the reporting period. The most significant estimates in the Company’s condensed consolidated financial statements relate to the determination of variable consideration for product sales, share-based compensation and some of its research and development expenses. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results the Company’s future results of operations will be affected.

Dova Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Segments

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business in one reportable segment, i.e., the development and commercialization of DOPTELET for the treatment of thrombocytopenia. Substantially all of the Company's assets and revenue are in the United States.

The Company relies primarily on six specialty pharmacies to purchase and supply the majority of DOPTELET. These six specialty pharmacies accounted for greater than 90% of all DOPTELET net product sales in the three months ended March 31, 2019 and accounted for predominately all of the Company's outstanding accounts receivable from product sales as of March 31, 2019. The loss, or a significant change in the buying patterns, of one or more of these specialty pharmacies as a customer could negatively impact the commercialization of DOPTELET.

Cash and equivalents

The Company considers all highly liquid investments purchased with original maturities of 90 days or less at acquisition to be cash equivalents. Cash and equivalents include cash held in banks and money market mutual funds and are classified as Level 1 investments.

Inventory

Inventory acquired prior to receipt of the FDA approval for DOPTELET was expensed as research and development expense as incurred. The Company began capitalizing inventory upon receipt of FDA approval on May 21, 2018. Inventory is stated at the lower of cost or estimated net realizable value with cost determined under the first in first out method. Inventory consists of work in process, and DOPTELET finished goods. The Company currently purchases inventory from Eisai under a long-term supply agreement for work in progress and finished drug product and is the greater of a fixed payment per tablet or a payment calculated in the mid-single digit percentages of net sales of DOPTELET. The Company reduces its inventory to net realizable value for potentially excess, dated or obsolete inventory based on an analysis of forecasted demand compared to quantities on hand and any firm purchase orders, as well as product shelf life. At March 31, 2019, the Company determined that no write downs to inventory for potentially excess, dated or obsolete inventory were required. The Company’s inventory at March 31, 2019 consists of $1.7 million of work in progress and $2.6 million of finished goods.

Research and development prepaid and accrued expenses

As part of the process of preparing financial statements, the Company is required to estimate its expenses resulting from its obligation under contracts with vendors and consultants and clinical site agreements in connection with its research and development efforts. The financial terms of these contracts are subject to negotiations which vary contract to contract and may result in payment flows that do not match the periods over which materials or services are provided to the Company under such contracts. The Company’s objective is to reflect the appropriate clinical trial expenses in its financial statements by matching those expenses with the period in which services and efforts are expended. The Company accounts for these expenses according to the progress of the trial as measured by patient progression and the timing of various aspects of the trial. The Company determines prepaid and accrual estimates through discussion with applicable personnel and outside service providers as to the progress or state of communication of clinical trials, or other services completed. During the course of a clinical trial, the Company adjusts its rate of clinical trial expense recognition if actual results differ from its estimates. The Company makes estimates of its prepaid and accrued expenses as of each balance sheet date in its financial statements based on facts and circumstances known at that time. Although the Company does not expect its estimates to be materially different from amounts actually incurred, its understanding of status and timing of services performed relative to the actual status and timing of services performed may vary and may result in the Company reporting amounts that are too high or too low for any particular period. The Company’s clinical trial prepaid and accrual expense is dependent upon the timely and accurate reporting of fee billings and pass-through expenses from contract research organizations and other third-party vendors as well as the timely processing of any change orders from the contract research organizations.

Leases

Dova Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Effective January 1, 2019, the Company adopted ASU No. 2016-02, "Leases (Topic 842)," as amended, using the modified retrospective approach. In addition, the Company elected the package of practical expedients permitted under the transition guidance within the new standard which among other things, allowed the Company to carry forward the historical lease classification. In addition, the Company elected the hindsight practical expedient to determine the lease term for existing leases. Our election of the hindsight practical expedient resulted in the shortening of lease terms for certain existing leases and the useful lives of corresponding leasehold improvements. In our application of hindsight, the Company determined that renewal options would not be reasonably certain in determining the expected lease term.

Adoption of the new standard resulted in the recording of additional net lease assets and lease liabilities of approximately $1.4 million and $1.7 million respectively, as of January 1, 2019. The standard did not materially impact our consolidated net earnings and had no impact on cash flows.

The Company has operating leases for real estate (primarily office space) and certain equipment. The Company's finance leases are not material. Leases with a term of 12 months or less are not recorded on the balance sheet. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. For lease agreements entered into or reassessed after the adoption of Topic 842, the Company combines lease and non-lease components.

On March 5, 2019, the FASB issued ASU 2019-01, "Leases (Topic 842): Codification Improvements." The new rule adds an exception to the interim transition disclosure requirements required for a change in accounting principle in the year of adoption of the new lease accounting standard, which was effective for the Company in the first quarter of 2019. The exception eliminates the requirement to disclose the effect of the change in accounting principle on income from continuing operations, net income, and related per-share amounts for post-adoption interim periods.

Furniture and equipment

Furniture and equipment are generally recorded at cost, or in the case of acquired property and equipment, at fair value at the date of acquisition. Maintenance and repair expenditures are charged to expense as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Classification	Estimated useful life
Computers and equipment	3 years
Fixtures and furniture	7 years
Tooling and equipment	5 years - 10 years
Leasehold improvements	Shorter of length of lease or life of asset

Concentrations of credit risk and off-balance sheet risk

Cash and equivalents are financial instruments that are potentially subject to concentrations of credit risk. The Company's cash and equivalents are deposited in accounts at large financial institutions, and amounts may exceed federally insured limits. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash and equivalents are held. The Company has no financial instruments with off-balance sheet risk of loss.

Research and development costs

Research and development ("R&D") expenses for the three months ended March 31, 2019 include direct and indirect R&D costs. Direct R&D costs consist principally of external costs, such as fees paid to investigators, consultants, central laboratories and clinical research organizations, including costs incurred in connection with clinical trials, and related clinical trial fees and all employee-related expenses for those employees working in R&D functions, including stock-based compensation for R&D personnel. Indirect R&D costs include insurance or other indirect costs related to the Company's R&D function to specific product candidates. The Company expenses pre-approval inventory as R&D until regulatory approval is received.

Revenue recognition

Dova Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Product sales

The Company is currently approved to sell DOPTELET in the United States market. The product is distributed through an exclusive distribution model with Integrated Commercialization Solutions ("ICS"). ICS sells DOPTELET predominantly to a limited number of specialty pharmacies ("customers"), who have agreements in place with the Company. Patients and healthcare providers purchase the product from the Company's customers. (See Note 7 "Significant agreements and contracts" for more information on the Company's agreement with ICS).

The Company recognizes revenue on product sales when the control of the Company's product passes to its customers, which occurs at a point in time, upon delivery to the customers, or over time depending on the nature of the contract. The Company has determined that the delivery of its product to its customers constitutes a single performance obligation as there are no other promises to deliver goods or services. Shipping and handling activities are considered to be fulfillment activities and are not considered to be a separate performance obligation. The Company has assessed the existence of a significant financing component in the agreements with its customers. The trade payment terms with its customers do not exceed one year and therefore the Company has elected to apply the practical expedient and no amount of consideration has been allocated as a financing component.

Revenue from product sales is recorded at the net sales price, which includes estimates of variable consideration for which reserves are established. Components of variable consideration include trade discounts and allowances, product returns, government chargebacks, discounts and rebates, and other incentives, such as voluntary patient assistance, and other fee for service amounts that are detailed within contracts between the Company and its customers relating to the Company's sale of its products. These reserves, as detailed below, are based on the amounts earned, or to be claimed on the related sales, and are classified as reductions of accounts receivable or a current liability. These reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the respective underlying contracts.

Revenue from product sales is recorded after considering the impact of the following variable consideration amounts at the time of revenue recognition:

Trade discounts and distribution fees: Trade discounts relate to prompt settlement discounts provided to ICS and the customers. Distribution fees include fees paid to ICS for the distribution of the product (which is based on a percentage of sales). In addition, the Company compensates its customers for data and other activities. The Company has determined that such services received to date are not distinct from its sale of products and may not reasonably represent fair value for these services. Therefore, estimates of these payments are recorded as a reduction of revenue based on contractual terms.

Product returns: Consistent with industry practice, the Company generally offers customers a limited right of return for product that has been purchased from the Company based on the product's expiration date. The Company estimates the amount of its product sales that may be returned by its customers and records this estimate as a reduction of revenue in the period the related product revenue is recognized, as well as within accrued expenses on the condensed consolidated balance sheets. The Company currently estimates product return liabilities using available industry data and its own sales information, including its visibility into the inventory remaining in the distribution channel. The Company has not received any returns to date.

Government rebates and chargebacks: The Company contracts with Medicaid, Medicare, U.S. Department of Veterans Affairs, 340b entities and other government agencies ("Government Payors") so that DOPTELET will be eligible for purchase by, or partial or full reimbursement from, such Government Payors. The Company estimates the rebates, chargebacks and discounts it will provide to Government Payors and deducts these estimated amounts from its gross product revenue at the time the revenue is recognized. The Company estimates these reserves based upon a range of possible outcomes that are probability-weighted for the estimated payor mix. These reserves are recorded in the same period the revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability, which is included in accrued expenses and other current liabilities on the condensed consolidated balance sheets. For Medicare, the Company also estimates the number of patients in the prescription drug coverage gap for whom the Company will owe an additional liability under the Medicare Part D program. The Company estimates the rebates, chargebacks and discounts that it will provide to Government Payors based upon (i) the government-mandated discounts applicable to government-funded programs, (ii) information obtained from its customers and (iii) information obtained from other third parties regarding the payor mix for DOPTELET. The Company's liability for these rebates consists of estimates of claims for the current quarter and estimated future claims that will be made for product shipments that have been recognized as revenue but remain in the distribution channel inventories at the end of each reporting period.

Other incentives: Other incentives which the Company offers include voluntary patient assistance and assurance programs, such as a co-pay assistance program, which are intended to provide financial assistance to qualified commercially-insured patients with prescription drug co-payments required by payers. The calculation of the accrual for co-pay assistance is based on an estimate of claims using data provided by third-party administrators and the cost per claim that the Company expects to receive associated with product that has been recognized as revenue but remains in the distribution channel inventories at the end of each reporting period. The adjustments are recorded in the same period the related revenue is recognized, resulting in a reduction of product revenue and the establishment of a current liability which is included as a component of accrued expenses and other current liabilities on the condensed consolidated balance sheets.

Strategic agreements

The Company's other revenue consists of revenue from the Company's strategic agreements for the development and commercialization of DOPTELET. The terms of the agreements typically include non-refundable upfront fees, payments based upon achievement of milestones and eventually revenue from the commercialized product. These agreements usually have both fixed and variable consideration. Non-refundable upfront fees are considered fixed, while milestone payments and revenue from the commercialized product are identified as variable consideration.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under these agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Accounting Standards Codification ("ASC") Topic 606. The Company's performance obligations include intellectual property rights, development services, and services associated with regulatory submission and approval processes. Significant management judgment is required to determine the level of effort required under an arrangement and the period over which the Company expects to complete its performance obligations under the arrangement. If the Company cannot reasonably estimate when its performance obligations either are completed or become inconsequential, then revenue recognition is deferred until the Company can reasonably make such estimates. Revenue is then recognized over the remaining estimated period of performance using the cumulative catch-up method.

As part of the accounting for these arrangements, the Company develops assumptions that require judgment to determine the estimated selling price of each performance obligation identified in the contract. The Company uses key assumptions to determine the selling price on a standalone basis, which may include forecasted revenue, development timelines, and probabilities of regulatory success.

The Company allocates the total transaction price to each performance obligation based on the estimated relative standalone selling prices of the promised goods or service underlying each performance obligation.

If the right to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenue from non-refundable, upfront fees allocated to the right when the right is transferred to the customer, and the customer can use and benefit from the right. For rights that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, upfront fees. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

At the inception of the arrangement, the Company evaluates whether the development milestones are considered probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. Milestone payments that are not within the control of the Company, such as approvals from regulators, are not considered probable of being achieved until those approvals are received.

Dova Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Stock-based compensation

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model. The Company has limited experience as a public company and lacks company-specific historical and implied volatility information. Therefore, the most significant subjective assumptions are management's estimates of the expected volatility and the expected term of the award. The Company estimates its expected stock volatility based on the historical volatility of a publicly traded set of peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. Due to the lack of historical exercise history, the expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The expected term of stock options granted to nonemployees is equal to the contractual term of the option award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

Income taxes

Income taxes are recorded in accordance with ASC 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

The FASB Staff Q&A, Topic 740, No. 5, *Accounting for Global Intangible Low-Tax Income*, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis difference expected to reverse as global intangible low-taxed income ("GILTI") in future years or to provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. The Company has elected to account for GILTI as a period expense in the year the tax is incurred.

Net loss per share

Net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Since the Company had a net loss in each of the periods presented, basic and diluted net loss per common share are the same. The computations of diluted net loss per common share for the three months ended March 31, 2019 and March 31, 2018 excluded options to purchase 4,152,515 and 2,414,707 shares of common stock, respectively, and excluded restricted stock units of 151,859 and 0 shares of common stock, respectively, as the inclusion of these securities would have been antidilutive.

Recent accounting pronouncements

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which was subsequently amended in November 2018, through ASU No. 2018-19, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses." ASU No. 2016-13 will require entities to estimate lifetime expected credit losses for trade and other receivables, net investments in leases, financing receivables, debt securities and other instruments, which will result in earlier recognition of credit losses. Further, the new credit loss model will affect how entities in all industries estimate their allowance for losses for receivables that are current with respect to their payment terms. ASU No. 2018-19 further clarifies that receivables arising from operating leases are not within the scope of Subtopic 326. Instead, impairment from receivables of operating leases should be accounted for in accordance with Topic 842, Leases. The new guidance on credit losses is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company expects to adopt ASU No. 2016-03, and the related ASU No. 2018-19

amendments, beginning as of January 1, 2020 and expects that the adoption of this ASU will not have a material impact on the Company's consolidated financial statements.

In June 2018, the FASB issued ASU 2018-7, "Improvements to Nonemployee Share-Based Payment Accounting", which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. The changes take effect for public companies for fiscal years starting after December 15, 2018, including interim periods within that fiscal year. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, but no earlier than an entity's adoption date of Topic 606. The Company adopted this ASU during the first quarter and 2019, which did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued an accounting standards update which expands the scope of costs associated with cloud computing arrangements that must be capitalized. Under the new guidance, costs associated with implementing a cloud computing arrangement that is a service contract must be capitalized and expensed over the term of the hosting arrangement. The provisions of the update are effective beginning January 1, 2020 for interim and annual periods with early adoption permitted for any interim period after issuance of the update. The Company is currently assessing the timing of its adoption as well as the potential impact that the standard will have on the Company's consolidated financial statements.

Note 3—The purchase agreement and related transactions

Purchase agreement with Eisai

Dova entered into a purchase agreement dated March 29, 2016 (the "Eisai stock purchase agreement") with Eisai, Inc. ("Eisai") for all of the issued and outstanding shares of the capital stock of AkaRx Inc., which consisted of the worldwide rights to DOPTELET. The terms of the Eisai stock purchase agreement included (i) an upfront payment of $5.0 million that was paid at closing and funded by a capital contribution by the Company's then sole member, PBM Capital Investments, LLC, (ii) milestone payments up to $135.0 million in the aggregate based on annual net sales of DOPTELET, and (iii) a commitment to negotiate in good faith to secure a long-term supply agreement with Eisai to govern manufacturing support and the purchase of DOPTELET from Eisai for a certain period not to excess three years after the first commercial sale of DOPTELET.

The transaction was accounted for as an asset acquisition pursuant to ASU 2017-1, *Business Combinations (Topic 805), Clarifying the Definition of a Business,* as the majority of the fair value of the assets acquired was concentrated in a group of similar assets, and the acquired assets did not have outputs or employees. The assets acquired under the Eisai stock purchase agreement included a license to DOPTELET, other associated intellectual property, inventory, documentation and records, and related materials. The potential milestone payments based on annual net sales are not yet considered probable, and no milestone payments have been accrued at March 31, 2019.

Supply agreement with Eisai

In June 2017, the Company entered into a supply agreement with Eisai, pursuant to which the Company agreed to purchase finished drug product of DOPTELET from Eisai and Eisai agreed to supply finished drug product of DOPTELET. The initial term of the agreement will expire three years after the first commercial sale of DOPTELET. After the initial term, the supply agreement may be renewed by mutual agreement of the parties. During the initial term, Eisai is the Company's exclusive supplier of finished drug product of DOPTELET, except that the Company has the right to terminate the exclusivity early by payment to Eisai of a fee calculated based on the Company's forecasted purchases of DOPTELET during the remainder of the initial term. In addition, in the event that Eisai fails to deliver substantially all of the finished drug product due to the Company under the agreement, the Company may elect to seek alternative supply arrangements so long as such failure remains uncured, subject to certain exceptions. The aggregate payments to Eisai under the supply agreement for finished drug product will be the greater of a fixed payment per tablet or a payment calculated in the mid-single digit percentages of net sales of DOPTELET.

Amended and Restated Transition Services Agreement with Eisai and an Additional Work Order

Effective April 1, 2018, the Company and Eisai entered into an Amended and Restated Transition Services Agreement (the "Amended TSA") and an Additional Work Order ("Work Order"), pursuant to which Eisai has agreed to provide services to the

Company after the expiration of the original Transition Services Agreement by and between Eisai and the Company, dated March 30, 2016 (the "TSA"), which expired on March 31, 2018.

Under the Work Order, Eisai has agreed to provide certain regulatory, CMC, nonclinical, clinical pharmacology, and statistical services to the Company in order to support the Company's new drug application and marketing authorization application to the European Medicines Agency for the period from April 1, 2018 through June 30, 2019. Pursuant to the Amended TSA, the Company is obligated to pay Eisai for services provided by Eisai personnel based on a fixed payment schedule. To the extent that service fees and out-of-pocket costs payable by the Company to Eisai under the Amended TSA exceed $51.0 million, the Company's obligation to pay milestone payments under the Eisai stock purchase agreement will be reduced. To date, the Company has incurred $32.0 million under the TSA and the Amended TSA. Pursuant to the Amended TSA, payments due were financed under the Eisai note described below. The Company may terminate the services provided under the Amended TSA on a service-by-service basis or the agreement in its entirety upon 60-days' written notice. The Amended TSA may also be terminated (i) by mutual consent, (ii) by either party upon 60-days' written notice if the other party materially breaches the agreement, (iii) by either party in the event of the other party's bankruptcy, insolvency or certain similar occurrences and (iv) by either party in the event that such party is unable to perform its obligations under the agreement as a result of events outside of its reasonable control.

Eisai note and security agreement

On March 30, 2016, the Company issued a Note to Eisai, which had an interest rate of 5% per annum, and enabled the Company to finance payments due to Eisai under the TSA for all costs incurred through December 31, 2017. The principal amount of the Note was increased on a quarterly basis by the amount of unpaid service fees and out-of-pocket expenses due and owed to Eisai under the TSA. The total aggregate spend through this Note was $31.1 million and on March 16, 2018, this principal balance along with accumulated interest of $1.3 million was repaid in full.

License agreement with Astellas Pharma Inc.

The primary intellectual property related to DOPTELET is licensed from Astellas Pharma Inc. ("Astellas") on an exclusive, worldwide basis under the terms of a license agreement that the Company acquired from Eisai under the Eisai stock purchase agreement. Under the terms of the license agreement, the Company is required to make payments upon the achievement of certain milestones. On September 21, 2017, upon the submission of the NDA, the Company became obligated to make a milestone payment of $1.0 million within 30 days, which was expensed and included in research and development expense. The Company will be required to make additional aggregate milestone payments of up to $4.0 million to Astellas if certain other regulatory milestones are achieved. In addition, the Company is required to pay Astellas tiered royalties ranging from the mid to high single digits on net sales of DOPTELET. No amounts have been accrued for any potential milestone payments as the payments were not deemed probable. Unless earlier terminated, this license agreement with Astellas will expire on a country-by-country and product-by-product basis upon the latest of (i) the expiration of the last-to-expire claim of the licensed patents, (ii) the expiration of any government-granted marketing exclusivity period for DOPTELET, and (iii) 10 years after the last date of launch of DOPTELET to have occurred in any country. Thereafter, the term of the license agreement may be extended for successive one-year terms if the Company notifies Astellas in writing of its desire to extend such term at least three months before it is otherwise set to expire.

Note 4—Related party agreements

Dova and AkaRx management services agreements

On April 1, 2016, Dova and AkaRx each entered into a services agreement (each, a "SA") with PBM Capital Group, LLC. Pursuant to the terms of each of the SAs, which have terms of twelve months each (and are automatically renewable for successive one-year periods), PBM Capital Group, LLC will render advisory and consulting services to Dova and AkaRx. Services provided under the SAs may include certain scientific and technical, accounting, operations and back office support services. In consideration for these services, Dova and AkaRx are each obligated to pay PBM Capital Group, LLC a monthly management fee of $25,000. On March 30, 2018, the SA agreement between AkaRx and PBM Capital Group, LLC was terminated. Effective April 1, 2018, the monthly management fee for the SA between Dova and PBM Capital Group, LLC was reduced to $17,400.

For the three months ended March 31, 2019, the Company incurred expenses under the SAs of $52,200, which were included in selling, general and administrative expenses.

For the three months ended March 31, 2018, the Company incurred expenses under the SAs of $150,000, which were included in selling, general and administrative expenses.

Note 5—Stockholders' equity

Common Stock

On July 5, 2017, the Company closed its IPO, which resulted in the issuance and sale of 5,077,250 shares of its common stock at a public offering price of $17.00 per share, generating net proceeds of approximately $78.7 million after deducting underwriting discounts and commissions and other offering costs.

On February 27, 2018, the Company completed an underwritten public offering of 2,500,000 shares of its common stock at an offering price of $32.00 per share. Net proceeds raised by the Company from the offering were approximately $74.7 million, after deducting underwriting discounts and commissions and other offering expenses.

Note 6—Stock-based compensation

Equity Awards

The Company maintains the Amended and Restated 2017 Equity Incentive Plan ("2017 Equity Incentive Plan"). The 2017 Equity Incentive Plan provides for the grant of incentive stock options to employees, and for the grant of nonstatutory options, restricted stock awards, restricted stock unit awards, stock appreciation rights, performance-based stock awards and other forms of stock awards to employees, including officers, consultants and directors. The 2017 Equity Incentive Plan also provides for the grant of performance-based cash awards to employees, including officers, consultants and directors. The Company's stock options generally vest as follows: 25% after 12 months of continuous services and the remaining 75% on a ratable basis over a 36-month period from 12 months after the grant date. Stock options granted to date have a maximum contractual term of 10 years.

On December 19, 2018, the Board amended the 2017 Equity Incentive Plan (as amended, the "Amended Plan"), pursuant to which the Company reserved 1,250,000 shares of the Company's common stock for issuance as inducement awards (the "Inducement Pool"). The only persons eligible to receive grants of Awards (as defined below) from the Inducement Pool are individuals who satisfy the standards for inducement grants under Nasdaq Marketplace Rule 5635(c)(4) and the related guidance under Nasdaq IM 5635-1, including individuals who were not previously an employee or director of the Company or are following a bona fide period of non-employment, in each case as an inducement material to such individual's agreement to enter into employment with the Company. An "Award" is any right to receive the Company's common stock from the Inducement Pool, consisting of nonstatutory stock options and restricted stock unit awards. Options granted from the Inducement Pool generally vest over four years and vest at a rate of 25% upon the first anniversary of the issuance date and 1/48th per month thereafter and have terms of up to ten years consistent with options granted to other employees under the Amended Plan. All shares from the Inducement Pool were issued by December 31, 2018.

The Company initially reserved 4,285,250 shares of common stock for issuance under the Amended Plan. The number of shares of common stock reserved for issuance under the Amended Plan automatically increases on January 1 each year, for a period of ten years, from January 1, 2018 through January 1, 2027, by 4% of the total number of shares of the Company's common stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares as may be determined by the Board. As of March 31, 2019, 3,332,273 shares were available for grant under the Amended Plan. As of March 31, 2019, options to purchase 4,123,677 shares of the Company's common stock were outstanding at a weighted average exercise price of $11.89 per share.

Option awards

The fair value of the Company's option awards was estimated using the assumptions below:

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	Three months ended March 31,	
	2019	**2018**
Exercise price	$7.97-$8.82	$29.33-$31.86
Risk-free rate of interest	2.49%-2.60%	2.41%-2.79%
Expected term (years)	5.2-7.0	6.2
Expected stock price volatility	69.72%-71.88%	86.66%-87.67%

The following table summarizes the Company's stock option activity for the three months ended March 31, 2019:

	Total options outstanding	**Weighted-average exercise price**	**Weighted-average contractual term**	**Aggregate intrinsic value**
Outstanding as of December 31, 2018	3,526,433	$13.25	9.2	$ 5,200,000
Employee options granted	860,500	$8.81	9.4	$ 124,000
Employee options exercised	(22,454)	$4.46		
Employee options forfeited	(240,802)	$21.56		
Outstanding as of March 31, 2019	4,123,677	$11.89	9.1	$ 8,105,000
Options vested and exercisable as of March 31, 2019	975,018	$11.48	8.3	$ 3,246,000

The aggregate intrinsic value in the above table is calculated as the difference between fair value of the Company's closing common stock price on March 31, 2019, or $8.89 per share, and the exercise price of the stock options that had strike prices below $8.89 per share. The weighted average grant date fair value per share of options granted during the three months ended March 31, 2019 was $5.81. The weighted average remaining contractual term of exercisable options is approximately 8.3 years at March 31, 2019. The expense is recognized over the vesting period of the award.

As of March 31, 2019, there was approximately $16.3 million of total unrecognized compensation expense, related to the unvested stock options shown in the table above, which is expected to be recognized over a weighted average period of 1.1 years.

Restricted Stock Units

Certain employees and board members have been awarded restricted stock units with time-based vesting. During the three months ended March 31, 2019, the Company granted 53,455 restricted stock units, with a weighted average grant date fair value of $8.38 per share. As of March 31, 2019, 6,178 restricted stock units have vested.

The following table summarizes restricted stock unit activities for the three months ended March 31, 2019:

	Number of units	**Weighted average grant date fair value**
Balance as of December 31, 2018	107,083	$ 6.07
Restricted stock units granted	53,455	8.38
Restricted stock units vested	(6,178)	6.07
Balance as of March 31, 2019	154,360	$ 6.87

As of March 31, 2019, the Company had unrecognized stock-based compensation expense related to restricted stock units of approximately $0.7 million with a weighted average vesting period of approximately 0.4 years.

Stock-based compensation expense has been reported in the Company's consolidated statements of operations for the three months ended March 31, 2019 as follows (in thousands):

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	Three months ended March 31,	
	2019	2018
Cost of product sales	$ 30	$ —
Research and development	498	431
Selling, general and administrative	2,685	2,385
Total stock-based compensation	$ 3,213	$ 2,816

Note 7 — Significant agreements and contracts

Distribution Agreement with Fosun

On March 16, 2018, the Company, through its wholly-owned subsidiary, AkaRx entered into an agreement by which it granted Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., a wholly owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., (collectively, "Fosun") the exclusive development and distribution rights of DOPTELET in mainland China and Hong Kong ("territory"). Under the terms of the agreement, Fosun will have the right to exclusively commercialize and to assist the Company with the registration of DOPTELET in the territory. Fosun is solely responsible for commercialization activities in the territory and associated expenses. The Company is responsible for supplying product at a fixed price to Fosun for the distribution of product upon approval.

The agreement between Fosun and the Company is governed by a joint steering committee comprised of equal representation by the Company and Fosun and operated on a consensus basis. In the event that the parties do not agree, the Company will have deciding authority, except with respect to matters that solely affect the territory.

Under the agreement, the Company received a non-refundable upfront payment of $4.5 million during the second quarter of 2018, which consisted of an upfront payment of $5.0 million, less $0.5 million that was withheld in accordance with tax withholding requirements in China and recorded as an expense in 2018. The Company is also eligible to receive additional future payments upon the achievement of certain regulatory milestones. The Company assessed this arrangement in accordance with ASC Topic 606 and concluded that the contract counterparty, Fosun, is a customer. The Company determined the distinct, material performance obligations within this agreement consist of (1) the exclusive right to develop and commercialize DOPTELET for multiple indications in the territory, (2) the delivery of certain indication specific information, and (3) manufacture and supply of commercial product.

The transaction price includes the $5.0 million up-front consideration. None of the regulatory milestones have been included in the transaction price, as all milestone amounts were fully constrained. As part of its evaluation of the constraint, the Company considered numerous factors, including that receipt of the milestones is outside the control of the Company and contingent upon success in future clinical trials and Fosun's efforts.

In 2018, the Company recognized $2.6 million related to the up-front payment as other revenue in connection with the Fosun agreement. The amount of revenue recognized in connection with this agreement is commensurate with the deliverables provided by the Company to Fosun in achieving the performance obligation. The remaining transaction price of $2.4 million is recorded in deferred revenue as of March 31, 2019, on the condensed consolidated balance sheet and will be recognized upon the delivery of certain information packages for indications which are currently in development. The relative fair value of deliverables was calculated using a combination of discounted cash flow and cost avoidance models (Level 3 inputs), under which estimated cash flows were discounted using a risk-adjusted rate that aligns with publicly available information of Fosun's cost structure. Estimated cash flows were determined based on management's best estimate of the performance of DOPTELET for each indication in the territory.

Commercial Outsourcing Agreement with Integrated Commercial Solutions, LLC ("ICS")

On March 1, 2018, the Company entered into a Commercial Outsourcing Master Services Agreement with ICS, a division of AmerisourceBergen Specialty Group, a subsidiary of AmerisourceBergen, pursuant to which ICS is the exclusive provider of various third-party logistics services to support the Company's distribution of DOPTELET in the United States. The key services provided by ICS include logistics, warehousing, returns and inventory management, contract administration and chargebacks processing and accounts receivable management.

Effective March 1, 2018, the Company also entered into a first amendment to the Commercial Outsourcing Master Services Agreement in order for ICS to purchase and sell DOPTELET to the Company's customers in the United States. Pursuant to the amendment, ICS will only make shipments to customers who have an executed contract with the Company. Under this arrangement, ICS places orders with the Company to maintain an appropriate level of inventory. ICS assumes all inventory risk and has sole responsibility for determining the prices at which it sells these products, subject to specified limitations in the amendment. Effective April 1, 2019, ICS and the Company agreed to end the arrangement for ICS to purchase and sell DOPTELET to the Company's customers, and ICS reverted to be the Company's third-party logistics provider.

Co-Promotion Agreement with Valeant Pharmaceuticals North America LLC

On September 26, 2018, the Company entered into a Co-Promotion Agreement (the "Co-Promotion Agreement") with the Salix division of Valeant Pharmaceuticals North America LLC ("Salix"), a subsidiary of Bausch Health Companies Inc., pursuant to which the Company granted Salix the exclusive right to co-promote DOPTELET to specified medical professionals in the Gastroenterology, Colorectal Surgery and Proctology field (the "Specialty") in the United States.

Pursuant to the Co-Promotion Agreement, the Company will pay Salix a fee based on the quarterly Net Sales (as defined in the Co-Promotion Agreement) of DOPTELET to specified medical professionals in the Specialty in the United States at specified tiered percentages, ranging from Salix receiving a mid-twenties to mid-thirties percent of Net Sales in a calendar year, subject to specified adjustments. In addition, the Company has agreed to pay Salix a milestone payment of $2.5 million upon the achievement of an aggregate Net Sales amount to the Specialty. The Co-Promotion Agreement specifies that the Company will grant Salix a royalty-free right to use trademarks and copyrights relating to DOPTELET in connection with the promotion of DOPTELET in the United States. The Co-Promotion Agreement also contains provisions regarding payment terms, confidentiality and indemnification, as well as other customary provisions.

The co-promotion of DOPTELET in the United States pursuant to the terms of the Co-Promotion Agreement will be supervised by a joint steering committee composed of an equal number of representatives from the Company and Salix. Under the terms of the Agreement, the Company remains responsible for the costs of maintaining regulatory approval of, manufacturing, supplying and distributing DOPTELET. Salix has also agreed to maintain at least one hundred Salix sales representatives (subject to certain adjustments) that will have the responsibility to promote DOPTELET in the Specialty in the United States.

Note 8 — Debt

On April 17, 2018, the Company and its wholly owned subsidiary, AkaRx (collectively "Co-Borrowers"), entered into a Loan and Security Agreement ("Term Loan") with Silicon Valley Bank ("SVB") pursuant to which the Co-Borrowers borrowed $20.0 million. The Term Loan was originally scheduled to mature on April 17, 2021 unless the Company achieved a specified revenue milestone in which case the maturity date would be extended to April 17, 2022. The Co-Borrowers were only required to make monthly interest payments until April 30, 2019 unless the Company achieved the specified revenue milestone, in which case the interest-only period would be extended until October 31, 2019. Following the interest-only period, the Co-Borrowers would be required to also make equal monthly payments of principal and interest for the remainder of the term. The Co-Borrowers were also required to pay an additional final payment at maturity equal to $2.0 million if the Term Loan is repaid by or after May 16, 2019 or a final payment of $0.6 million if the Term Loan was repaid during the interest-only period. The final payment amount of $2.0 million was recorded as a debt discount and was being accreted to the carrying value of the debt using the effective interest method. In addition, at its option, the Co-Borrowers were permitted to prepay all amounts owed under the Term Loan (including all accrued and unpaid interest), subject to a prepayment charge if the loan has been outstanding for less than one year, which prepayment charge would be 4% of the outstanding principal amount on the date the loan is prepaid. All obligations under this agreement were guaranteed by all the assets of the Co-Borrowers, except for intellectual property and certain other assets. The agreement bore interest at the WSJ prime rate plus 1.25% per annum. In connection with the Term Loan, the Company incurred debt issuance costs totaling approximately $38,000. These costs were being amortized over the estimated term of the debt using the effective interest method. The Company deducted the debt issuance costs from the carrying amount of the debt as of March 31, 2019. As of March 31, 2019, the carrying value of the term loan was approximately $20.8 million, of which $9.2 million was due within 12 months and $11.7 million was due in greater than 12 months. The debt balance has been categorized within Level 2 of the fair value hierarchy. The carrying amount of the debt approximates its fair value based on prevailing interest rates as of the balance sheet date.

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As of March 31, 2019, annual principal payments due under the Term Loan were as follows:

Year	Aggregate Minimum Payments (in thousands)
2019	$ 6,667
2020	10,000
2021	5,333
Total	22,000
Less unamortized debt issuance costs and final payment	(1,159)
Total	$ 20,841

On May 6, 2019, the Co-Borrowers entered into an Amended and Restated Loan and Security Agreement ("Term Loan Facility") with SVB and WestRiver Innovation Lending Fund VIII, L.P. ("WestRiver" and, together with SVB, the "Lenders"), pursuant to which the Company may borrow up to $50.6 million, issuable in four separate tranches, of which $20.6 million ("Advance A") was issued upon execution of the Term Loan Facility and used to repay in full all of the Company's outstanding obligations and liabilities to SVB under the Term Loan, $10.0 million ("Advance B") is available to be issued upon the occurrence of regulatory approval for the chronic immune thrombocytopenia indication until July 31, 2019, $10.0 million ("Advance C") is available to be issued if Advance B has been made and upon the achievement of a specified commercial revenue milestone until the earlier of April 15, 2020 or the day before Advance D is available, and $10.0 million ("Advance D") is available to be issued if Advance B has been made and upon the achievement of specified regulatory and commercial revenue milestones until July 15, 2020.

The maturity date of the Term Loan Facility is April 3, 2023. Under the terms of the Term Loan Facility, the Company will be required to make monthly interest-only payments on the principal amount outstanding under each Advance at a floating rate equal to the Prime Rate plus 2.00%, followed by an amortization period of 35 months of equal monthly payments of principal plus interest amounts until paid in full. The interest-only period will automatically be extended to August 3, 2020 if Advance B is made and May 3, 2021 if either Advance C or Advance D is made, followed by an amortization period of 32 months and 23 months, respectively, of equal monthly payments of principal plus interest amounts until paid in full. In addition to and not in substitution for the regular monthly payments of principal plus accrued interest, the Company is required to make a final payment equal to 10% of the aggregate principal amount of the Advances on the maturity date.

The Company's obligations under the Term Loan Facility are secured by substantially all of the Company's assets except for the intellectual property and certain other assets, and the Company may not encumber the intellectual property without the Lenders' prior written consent. The Term Loan Facility contains a number of affirmative and negative covenants, including covenants regarding dispositions of property, business combinations or acquisitions, incurrence of additional indebtedness and transactions with affiliates, among other customary covenants. The Company is also restricted from paying dividends or making other distributions or payments on its capital stock, subject to limited exceptions. Obligations under the Term Loan Facility are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in our business, operations or financial or other condition.

Note 9 — Leases

On May 22, 2018, the Company entered into an Office Lease Agreement (the "Lease") with Pine Forest 240 TT, LLC, a Delaware limited liability company (the "Landlord"), under which the Company will lease 21,745 square feet of space for its corporate headquarters located at 240 Leigh Farm Road, Durham, North Carolina. Pursuant to the Lease, the Company will effectively renew the Company's lease of its existing 14,378 square feet of office space (the "Existing Office Space") that the Company currently subleases from Paidion Research, Inc. pursuant to a sublease agreement, which is scheduled to expire on April 30, 2020, effective May 1, 2020. The Company also leases an additional 1,961 square feet of office space ("Suite 200"), which the Landlord delivered on October 12, 2018, and will lease an additional 5,406 square feet of office space ("Suite 215"), which the Landlord has agreed to use commercially reasonable efforts to deliver on or before August 1, 2019.

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Under the Lease, subject to specified exceptions, the Company will pay an initial annual base rent of (i) $51,476, or $4,290 per month, for Suite 200, subject to an increase of approximately 2.7% per year, (ii) $145,800, or $12,150 per month, for Suite 215, subject to an increase of approximately 2.7% per year and (iii) $387,774, or $32,315 per month, for the Existing Office Space, subject to an increase of approximately 2.7% per year. In addition, the Company will pay its proportionate share of the Landlord's annual operating expenses associated with the premises.

The term of the Lease will continue until September 30, 2023. The Company has an option to renew the Lease for one additional term of five years. If exercised, rent during the renewal term will be at the fair market rental rate as defined in the Lease.

The lease provides for a tenant improvement allowance of approximately $264,090. As of March 31, 2019, none of the allowance was utilized.

The Company recorded operating lease expense of $99,000 and $72,000 for the three months ended March 31, 2019 and March 31, 2018, respectively. Operating lease expense is recorded and classified as selling, general and administrative expenses on the Company's consolidated statements of operations.

Maturity of lease liabilities (thousands)		**Operating leases**
2019	$	265
2020		385
2021		455
2022		467
2023		359
Total lease payments		1,931
Less: Interest		306
Present value of lease liabilities	$	1,625

The weighted average remaining lease term is 4.5 years and the weighted average discount rate is 6.5%. The discount rate is the same as the Company's incremental borrowing rate as the rate implicit in the leases cannot be readily determined.

Note 10—Commitments and contingencies

Purchase commitments

As noted in Note 3, the Company has an agreement with Eisai for the commercial supply of DOPTELET. Under the terms of the agreement, the Company will supply Eisai with non-cancelable firm commitment purchase orders. Future minimum purchase obligations are $5.9 million for the remainder of 2019.

The Company has also entered into other agreements with certain vendors for the provision of services, including services related to data access and packaging, under which the Company is contractually obligated to make certain payments to the vendors. The Company enters into contracts in the normal course of business that include, among others, arrangements with clinical research organizations for clinical trials, vendors for preclinical research, and vendors for manufacturing. These contracts generally provide for termination upon notice, and therefore the Company believes that its obligations under these agreements are not material.

Litigation

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

Note 11—Income taxes

The Company estimates an annual effective tax rate of 0% for the year ending December 31, 2019 as the Company incurred losses for the three months ended March 31, 2019 and is forecasting additional losses through the fourth quarter of 2019, resulting in an estimated net loss for both financial statement and tax purposes for the year ending December 31, 2019. Therefore, no federal or state income taxes are expected, and none have been recorded at this time. Income taxes have been accounted for using the liability method in accordance with ASC 740.

Due to the Company's history of losses since inception, the Company has determined, based upon available evidence, that it is more likely than not that the net deferred tax asset will not be realized and, accordingly, has provided a full valuation allowance against its net deferred tax asset.

At March 31, 2019, the Company had no unrecognized tax benefits that would reduce the Company's effective tax rate if recognized.

Note 12—Employee benefit plan

The Company maintains a defined contribution 401(k) plan available to full time employees, under which employee contributions are voluntary and are determined on an individual basis, limited by the maximum amounts allowable under federal tax regulations. The Company provides an automatic matching contribution of $1.00 per $1.00 of employee contribution into the plan for the first 3% and $0.50 per $1.00 of employee contribution for the next 2%, for a maximum deferral per employee of 4% of the employee's salary. The Company's matching contributions totaled approximately $164,000 and $37,000 during the three months ended March 31, 2019 and 2018, respectively.

Note 13—Subsequent Events

The Company has evaluated subsequent events through the issuance date of these financial statements to ensure that this filing includes appropriate disclosure of events both recognized in the financial statements as of March 31, 2019, and events which occurred subsequently but were not recognized in the financial statements.

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

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with (1) the unaudited interim condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q, and (2) the audited consolidated financial statements and notes thereto for the year ended December 31, 2017 and 2018 and the related management's discussion and analysis of financial condition and results of operations, both of which are contained in our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission (the "SEC") on March 5, 2019.

Forward-looking statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements are often identified by the use of words such as "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," and similar expressions, although not all forward-looking statements contain these identifying words. Although we believe the expectations reflected in these forward-looking statements are reasonable, such statements are inherently subject to significant risks and uncertainties and we can give no assurances that our expectations will prove to be correct. Actual results could differ materially from those described in this report because of numerous factors, many of which are beyond our control. These factors include, without limitation, those described in our Annual Report on Form 10-K for the year ended December 31, 2018 under Part I - Item 1A "Risk Factors" filed with the Securities and Exchange Commission on March 5, 2019, in this Quarterly Report under Part II - Item 1A "Risk Factors," and in our other filings with the SEC. We undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.

Overview

We are a pharmaceutical company focused on acquiring, developing and commercializing drug candidates for diseases that are treated by specialist physicians, with an initial focus on addressing thrombocytopenia, a disorder characterized by a low blood platelet count. On May 21, 2018, the U.S. Food and Drug Administration (“FDA”) approved DOPTELET (avatrombopag), which is an orally administered thrombopoietin receptor agonist for the treatment of thrombocytopenia in adult patients with chronic liver disease (“CLD”) scheduled to undergo a procedure. In addition, following the submission of a Marketing Authorization Application ("MAA") to the European Medicines Agency ("EMA") for DOPTELET for the treatment of severe thrombocytopenia in adult patients with CLD who are scheduled to undergo an invasive procedure, DOPTELET received a positive opinion from the Committee for Medicinal Products for Human Use ("CHMP") of EMA. A European Commission decision for the MAA is expected in the third quarter of 2019. Furthermore, on August 30, 2018, we submitted a supplemental New Drug Application ("sNDA") to the FDA for DOPTELET, seeking approval for the treatment of thrombocytopenia in adult patients with chronic immune thrombocytopenia ("ITP") who have had an insufficient response to a previous treatment. On October 29, 2018, the FDA accepted the sNDA for review with a Prescription Drug User Fee Act goal date of June 30, 2019.

We initiated a Phase 3 trial in chemotherapy-induced thrombocytopenia ("CIT") during the first quarter of 2018. We expect to report results for the primary and select secondary endpoints from this trial in the first half of 2020. Currently, there are no approved treatments for CIT. Physicians are managing CIT through chemotherapy dose reductions, cycle delays, and in severe cases platelet transfusions. In the United States, there are approximately 765,000 patients annually that receive chemotherapy. Among those patients, roughly 93% have solid tumors, while the remaining 7% have non-solid tumors. The incidence of thrombocytopenia in solid tumors and non-solid tumors is reported to be approximately 10% and 50%, respectively. Accordingly, we believe the U.S. addressable CIT population related to solid tumors to include approximately 71,000 patients annually.

We have a limited operating history as we were formed on March 24, 2016. Since our inception, our operations have focused on acquiring rights to DOPTELET, organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio, conducting clinical trials, preparing for and submitting a new drug application ("NDA") and sNDA for DOPTELET, building a commercial organization, including a field sales team and launching DOPTELET. We have funded our operations primarily through the sale of preferred and common stock and the issuance of debt. On July 5, 2017, we closed our IPO of common stock, which resulted in the issuance and sale of 5,077,250 shares of common stock at a public offering price of $17.00 per share, resulting in net proceeds of approximately $78.7 million after deducting underwriting discounts and commissions and other offering costs. Upon the closing of the IPO, all outstanding shares of our Series A convertible preferred stock were automatically converted into 3,242,950 shares of common stock. In addition, on February 27, 2018, we completed an underwritten public offering of 2,500,000 shares of our common stock. The shares were sold to the public at an offering price of $32.00 per share. Net proceeds raised from the offering were approximately $74.7 million, after deducting underwriting discounts and commissions and other offering expenses. On April 17, 2018, we, along with our wholly owned subsidiary, AkaRx, (collectively the “Co-Borrowers”), entered in to a Loan and Security Agreement ("Term Loan") with Silicon Valley Bank ("SVB"), pursuant to which we borrowed $20.0 million maturing up to 48 months from the closing. On May 6, 2019, the Co-Borrowers entered into an Amended and Restated Loan and Security Agreement ("Term Loan Facility") with SVB and WestRiver Innovation Lending Fund VIII, L.P. (collectively the "Lenders"), to extend the interest only period of the existing $20 million Term Loan by 12 months and provide aggregate additional potential borrowings of $30 million upon achieving specified regulatory and revenue milestones. Refer to Note 8 "Debt" of our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information on the Term Loan Facility. We believe that our existing cash and equivalents, will enable us to fund our operating expenses, debt service obligations and capital expenditure requirements for at least the next 12 months.

Since inception, we have incurred significant operating losses. For the three months ended March 31, 2019 and for the year ended December 31, 2018, our net loss was $16.4 million and $72.3 million, respectively. As of March 31, 2019, we had an accumulated deficit of $145.8 million. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- continue to invest in the clinical development of DOPTELET for the treatment of CIT;
- continue the commercialization of DOPTELET;
- manufacture DOPTELET under our supply agreement with Eisai;
- establish an additional manufacturer for DOPTELET;
- maintain, expand and protect our intellectual property portfolio;
- evaluate opportunities for development of additional drug candidates; and
- incur additional costs associated with operating as a public company.

DOPTELET Key Short-Term Launch Metrics

- From launch through March 31, 2019, a total of 1,060 health care professionals have prescribed DOPTELET to their patients with an increasing number of repeat prescribers.
- More than 13,000 calls were conducted, reaching more than 6,500 unique health care professionals during the three months ended March 31, 2019.
- For prescriptions in the three months ended March 31, 2019 that have gone through the adjudication process with payers, 82% of those prescriptions were approved. On average, the time to decision for a referral was 6.3 business days in the three months ended March 31, 2019.
- Inventory held by specialty pharmacies in our contracted network remained relatively constant from January 1, 2019 to March 31, 2019.

Significant Agreements and Contracts

Stock purchase agreement with Eisai

In March 2016, we entered into the stock purchase agreement with Eisai, (the "Eisai stock purchase agreement"), pursuant to which we acquired the worldwide rights to DOPTELET. The terms of the Eisai stock purchase agreement included (i) an upfront payment of $5.0 million, (ii) milestone payments up to $135.0 million in the aggregate based on annual net sales of DOPTELET and (iii) a commitment to negotiate in good faith to secure a long-term supply agreement with Eisai to purchase supplies of DOPTELET from Eisai. See Note 3 "The purchase agreement and related transactions" in the accompanying notes to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information.

Amended and restated transition services agreement and an additional work order

Eisai historically provided services to us pursuant to a Transition Services Agreement, dated March 30, 2016 (the "TSA") and a work order, which expired on March 31, 2018. Effective April 1, 2018, we entered into an Amended and Restated Transition Services Agreement (the "Amended TSA") and an Additional Work Order ("Work Order") with Eisai, pursuant to which Eisai has agreed to provide services to us after the expiration of the original TSA.

Under the Work Order, Eisai has agreed to provide certain regulatory, CMC, nonclinical, clinical pharmacology, and statistical services to us in order to support our NDA to the FDA and MAA to the EMA for the period from April 1, 2018 through June 30, 2019. Pursuant to the Amended TSA, we are obligated to pay Eisai for services provided by Eisai personnel based on a fixed payment schedule. To the extent that service fees and out-of-pocket costs payable by us to Eisai under the Amended TSA exceed $51.0 million, our obligation to pay milestone payments under the Eisai stock purchase agreement will be reduced. We may terminate the services provided under the Amended TSA on a service-by-service basis or the agreement in its entirety upon 60-days' written notice. The Amended TSA may also be terminated (i) by mutual consent, (ii) by either party upon 60-days' written notice if the other party materially breaches the agreement, (iii) by either party in the event of the other party's bankruptcy, insolvency or certain similar occurrences and (iv) by either party in the event that such party is unable to perform its obligations under the agreement as a result of events outside of its reasonable control.

Supply agreement with Eisai

In June 2017, we entered into a supply agreement with Eisai, pursuant to which we agreed to purchase finished drug product of DOPTELET from Eisai and Eisai agreed to supply finished drug product of DOPTELET to us. The initial term of the agreement will expire three years after the first commercial sale of DOPTELET. After the initial term, the supply agreement may be renewed by mutual agreement of the parties. During the initial term, Eisai is our exclusive supplier of finished drug product of DOPTELET, except that we have the right to terminate the exclusivity early by payment to Eisai of a fee calculated based on our forecasted purchases of DOPTELET during the remainder of the initial term. In addition, in the event that Eisai fails to deliver substantially all of the finished drug product due to us under the agreement, we may elect to seek alternative supply arrangements so long as such failure remains uncured, subject to certain exceptions. The aggregate payments to Eisai under the supply agreement for finished drug product will be the greater of a fixed payment per tablet or a payment calculated in the mid-single digit percentages of net sales of DOPTELET.

Eisai note and security agreement

On March 30, 2016, we issued a secured promissory note with Eisai (the "Note"), which had an interest rate of 5% per annum, and enabled us to finance payments due to Eisai under the TSA for all costs incurred through December 31, 2017. The principal amount of the Note was increased on a quarterly basis by the amount of unpaid service fees and out-of-pocket expenses due

and owed to Eisai under the TSA. The total aggregate spend through this Note was $31.1 million and on March 16, 2018, we repaid in full this principal balance along with accumulated interest of $1.3 million.

License agreement with Astellas Pharma Inc.

The primary intellectual property related to DOPTELET is licensed to us from Astellas Pharma Inc. ("Astellas") on an exclusive, worldwide basis under the terms of a license agreement which we acquired under the Eisai stock purchase agreement. Under the terms of the license agreement, we are required to make payments upon the achievement of certain milestones. In 2017, upon the submission of the NDA, we became obligated to make a milestone payment of $1.0 million. We will be required to make additional aggregate milestone payments of up to $4.0 million to Astellas if certain other regulatory milestones are achieved. In addition, we will be required to pay Astellas tiered royalties in the mid to high single-digit percentages on net sales of DOPTELET. No amounts have been accrued for any potential future milestone payments as such payments have not been deemed probable. See Note 3 “The purchase agreement and related transactions” in the accompanying notes to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information.

Services agreements with PBM Capital Group, LLC

On April 1, 2016, we and AkaRx each entered into a services agreement (each, a “SA”) with PBM Capital Group, LLC. Pursuant to the terms of each of the SAs, which have terms of 12 months each (and are automatically renewable for successive one-year periods), PBM Capital Group, LLC has rendered advisory and consulting services to us and AkaRx. Services provided under the SAs include certain scientific and technical, accounting, operations and back office support services. In consideration for these services, we and AkaRx were each obligated to pay PBM Capital Group, LLC a monthly management fee of $25,000. On March 30, 2018, the SA agreement between AkaRx and PBM Capital Group, LLC was terminated. Effective April 1, 2018, the monthly management fee for the SA between us and PBM Capital Group, LLC was reduced to $17,400.

Distribution Agreement

On March 16, 2018, we entered into a Manufacturing and Distribution Agreement (the “Distribution Agreement”) with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., a wholly owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., (collectively, “Fosun”) whereby we granted Fosun the exclusive development and distribution rights of DOPTELET in mainland China and Hong Kong (the “Territory”). Under the terms of the Distribution Agreement, Fosun will have the right to exclusively commercialize and to assist us with the registration of DOPTELET in the Territory. Fosun is solely responsible for commercialization activities in the Territory and associated expenses. We are responsible for supplying finished drug product at a fixed price to Fosun for the distribution of product upon approval.

The Distribution Agreement is governed by a joint steering committee comprised of equal representation by us and Fosun and operated on a consensus basis. In the event that the parties do not agree, we will have deciding authority, except with respect to matters that solely affect the territory.

Under the Distribution Agreement, we received a non-refundable upfront payment of $4.5 million during the second quarter of 2018, which consisted of an upfront payment of $5.0 million, less $0.5 million that was withheld in accordance with tax withholding requirements in China. We are also eligible to receive additional future payments upon the achievement of certain regulatory milestones.

Commercial outsourcing agreement

On March 1, 2018, we entered into a Commercial Outsourcing Master Services Agreement with Integrated Commercial Solutions, LLC (“ICS”), a division of AmerisourceBergen Specialty Group, a subsidiary of AmerisourceBergen, pursuant to which ICS is the exclusive provider of various third-party logistics services to support our distribution of DOPTELET in the United States. The key services provided by ICS include logistics, warehousing, returns and inventory management, contract administration and chargebacks processing and accounts receivable management.

Effective March 1, 2018, we also entered into a first amendment to the Commercial Outsourcing Master Services Agreement to in order for ICS to purchase and sell DOPTELET to our customers in the United States. ICS will only make shipments to customers who have an executed contract with us. Under this amendment, ICS places orders with us to maintain an appropriate level of inventory. ICS assumes all inventory risk and has sole responsibility for determining the prices at which it sells these products, subject to specified limitations in the amendment. Effective April 1, 2019, we agreed with ICS to end the arrangement

for ICS to purchase and sell DOPTELET to our customers, whereby upon such date, ICS reverted to serving as our third-party logistics provider.

Co-Promotion agreement

On September 26, 2018, we entered into a Co-Promotion Agreement (the "Co-Promotion Agreement") with the Salix division of Valeant Pharmaceuticals North America LLC (“Salix”), a subsidiary of Bausch Health Companies Inc., pursuant to which we granted Salix the exclusive right to co-promote DOPTELET to specified medical professionals in the Gastroenterology, Colorectal Surgery and Proctology fields (the “Specialty”) in the United States.

Pursuant to the Co-Promotion Agreement, we will pay Salix a fee based on the quarterly Net Sales (as defined in the Co- Promotion Agreement) of DOPTELET to specified medical professionals in the Specialty in the United States at specified tiered percentages, ranging from Salix receiving a mid-twenties to mid-thirties percent of Net Sales in a calendar year, subject to specified adjustments. In addition, we have agreed to pay Salix a milestone payment of $2.5 million upon the achievement of an aggregate Net Sales amount to the Specialty. The Co-Promotion Agreement specifies that we will grant Salix a royalty-free right to use trademarks and copyrights relating to DOPTELET in connection with the promotion of DOPTELET in the United States. The Co-Promotion Agreement also contains provisions regarding payment terms, confidentiality and indemnification, as well as other customary provisions.

The co-promotion of DOPTELET in the United States pursuant to the terms of the Co-Promotion Agreement will be supervised by a joint steering committee composed of an equal number of representatives from us and Salix. Under the terms of the agreement, we remain responsible for the costs of maintaining regulatory approval of, manufacturing, supplying and distributing DOPTELET. Salix has also agreed to maintain at least one hundred Salix sales representatives (subject to certain adjustments) that will have the responsibility to promote DOPTELET in the Specialty in the United States.

Critical accounting policies and significant judgments and estimates

Our management’s discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, (“U.S. GAAP”). The preparation of these financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the dates of the balance sheets and the reported amounts of expenses during the reporting periods. In accordance with U.S. GAAP, we evaluate our estimates and judgments on an ongoing basis.

Significant estimates include assumptions used in the determination of net revenue generated from product sales, revenue recognized upon the satisfaction of performance obligations under our strategic agreements, of share-based compensation and some of our research and development expenses. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We discussed accounting policies and assumptions that involve a higher degree of judgment and complexity in Note 2 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 5, 2019. There have been no material changes during the three months ended March 31, 2019 to our critical accounting policies, significant judgments and estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018, except for the addition of a lease accounting policy as discussed in Note 2 of our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Components of results of operations

Revenue

Product sales, net consist of sales of DOPTELET, which was approved by the FDA for the treatment of thrombocytopenia in adult patients with CLD scheduled to undergo a procedure on May 21, 2018.

Cost of product sales

Cost of product sales consists primarily of direct and indirect costs related to the manufacturing of DOPTELET sold, including third-party manufacturing costs, packaging services, freight, royalty payments to Astellas in addition to inventory adjustment charges.

Research and development expense

Research and development expense consists of costs incurred in connection with our research activities, most of which to-date have been incurred under the TSA and the Amended TSA and includes costs associated with clinical trials, consultants, clinical trial materials, regulatory filings, facilities, laboratory expenses and other supplies.

Research and development costs are expensed as incurred. Costs for certain activities, such as manufacturing and preclinical studies and clinical trials, are generally recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and collaborators.

We expect our research and development expense will increase for the foreseeable future as we pursue additional indications for DOPTELET. Drug candidates in later stages of clinical development, such as DOPTELET, generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials.

The duration, costs and timing of additional clinical trials for DOPTELET and any other drug candidates will depend on a variety of factors that include the following:

- number of trials required for approval;
- delays in reaching, or failing to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites or prospective contract research organizations, the terms of which can be subject to extensive negotiation and may vary significantly among different contract research organizations and trial sites;
- clinical trials of our drug candidates producing negative or inconclusive results, including failure to demonstrate statistical significance;
- per patient trial costs, including based on number of doses that patients receive;
- the number of patients that participate in the trials and then drop-out or discontinuation rates of patients;
- the number of sites included in the trials;
- the countries in which the trial is conducted;
- the length of time required to enroll eligible patients;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or institutional review boards to suspend or terminate the trials;
- the duration of patient follow-up;
- timing and receipt of regulatory approvals;
- the efficacy and safety profile of the drug candidate;
- third-party contractors failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- whether and how many post-approval trials are required;
- regulators or institutional review boards requiring that we or our investigators suspend or terminate clinical development for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks; and
- the insufficiency or inadequacy of the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates.

At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of DOPTELET. We are also unable to predict when, if ever, material net cash inflows will commence from sales of DOPTELET. This is due to the numerous risks and uncertainties associated with developing and commercializing DOPTELET, including the uncertainty of:

- achieving successful enrollment and completion of additional clinical trials and achieving regulatory approval of DOPTELET for the treatment of thrombocytopenia beyond its initial indication;
- establishing an appropriate safety profile;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers that provide for commercial quantities of DOPTELET manufactured at acceptable cost levels and quality standards;
- whether any indication approved by regulatory authorities is narrower than we expect;

- compliance with ongoing regulatory review by the FDA, EMA, or any comparable foreign regulatory authorities;
- the efficacy and safety of DOPTELET and potential advantages compared to alternative treatments, notwithstanding success in meeting or exceeding clinical trial endpoints;
- the size of the markets for approved indications in territories in which we receive regulatory approval, if any;
- the ability to set an acceptable price for DOPTELET and obtain coverage and adequate reimbursement from third-party payors and develop and implement viable patient assistance programs;
- the acceptance by the prescribing community of DOPTELET;
- the degree of competition we face from competitive therapies;
- the ability to add operational, financial, management and information systems personnel, including personnel to support our clinical, manufacturing and planned future commercialization efforts and operations as a public company;
- retention of key research and development personnel;
- the ability to continue to build out and retain an experienced management and advisory team;
- the ability to maintain, expand and protect our intellectual property portfolio, including any licensing arrangements with respect to our intellectual property; and
- the ability to avoid and defend against third-party infringement and other intellectual property related claims.

A change in the outcome of any of these variables with respect to the development of our drug candidate would significantly change the costs, timing and viability associated with the development of that drug candidate.

Selling, general and administrative expense

Selling, general and administrative expense consists primarily of salaries and other related costs, stock compensation expense, recruiting fees, professional fees, as well as increasingly the costs associated with supporting the commercialization of DOPTELET.

We expect our selling, general and administrative expense will increase for the foreseeable future to support the commercialization of DOPTELET for its initial indication and other indications, if these other indications gain marketing approval, and increased costs of operating as a public company. These increases will likely include increased costs related to the hiring of additional personnel and fees related to the Co-Promotion Agreement with Salix, outside consultants, lawyers and accountants, among other expenses. Additionally, we have begun to incur increased costs associated with maintaining compliance with Nasdaq listing rules and SEC requirements, insurance and investor relations costs. In addition, we expect to incur, at an increased rate compared to prior periods, significantly higher expenses associated with building and maintaining
a sales and marketing team in connection with the commercialization of DOPTELET. As a result, we expect to report significantly higher selling, general and administrative expenses over the next several fiscal quarters compared to prior periods.

Results of operations for the three months ended March 31, 2019 and 2018

The following table sets forth our selected statements of operations data for the three months ended March 31, 2019 and 2018 (in thousands):

	Three months ended March 31,	
	2019	**2018**
Revenue		
Product sales, net	$ 4,001	$ —
Total revenue, net	4,001	—
Operating expenses:		
Cost of product sales	515	—
Research and development	4,084	3,416
Selling, general and administrative	15,754	10,261
Total operating expenses	20,353	13,677
Loss from operations	**(16,352)**	**(13,677)**
Interest income and other income (expense), net	537	222
Interest expense	(564)	(315)
Total other expenses, net	(27)	(93)
Net loss	**$ (16,379)**	**$ (13,770)**

Revenue

During the three months ended March 31, 2019, product sales, net consisted of sales of DOPTELET, which we commercially launched on June 4, 2018. We did not recognize any revenue during the three months ended March 31, 2018.

Cost of product sales

Cost of product sales of $0.5 million for the three months ended March 31, 2019 consisted of the cost of inventory, royalty payments to Astellas and certain distribution and overhead costs.

Research and development expense

Research and development expenses increased by $0.7 million, from $3.4 million for the three months ended March 31, 2018 to $4.1 million for the three months ended March 31, 2019, primarily driven by development costs associated with the ongoing CIT study, partially offset by decreased costs due to discontinuation of other studies.

For the three months ended March 31, 2019, research and development expenses included approximately $2.8 million of product development expenses, $0.8 million of payroll-related expenses, and $0.5 million of stock-based compensation expense.

For the three months ended March 31, 2018, research and development expenses included $2.4 million of clinical development costs associated with clinical trials to evaluate DOPTELET for the treatment of a broader population of patients with thrombocytopenia undergoing surgery and a post marketing registry study for CLD patients, $0.6 million of payroll-related expenses and $0.4 million of stock-based compensation expense.

Selling, general and administrative expense

For the three months ended March 31, 2019, selling, general and administrative expenses increased by $5.5 million, which was primarily driven by the increased level of headcount and sales and marketing activities to support the commercialization activities of DOPTELET.

For the three months ended March 31, 2019, selling, general and administrative expenses consisted of $3.4 million of commercial related expenses, $7.4 million of payroll-related expenses, $2.7 million of stock-based compensation expenses, $0.2 million of office operations-related expenses, $1.6 million in professional and consulting fees, $0.4 million related to pharmacovigilance and medical writing, and $0.1 million in educational sponsorship and grants.

For the three months ended March 31, 2018, general and administrative expense consisted of $3.2 million of payroll-related expenses, $3.1 million in professional and consulting fees primarily related to our initial commercial readiness activities for the commercial launch of DOPTELET, $2.4 million of stock-based compensation expenses, $0.7 million of office operations-related expenses, $0.5 million in sponsorship and grants, $0.2 million of recruiting fees, and $0.2 million of fees under the SAs with PBM Capital Group, LLC.

Other expenses, net

Other expenses, net for the three months ended March 31, 2019 consisted primarily of $0.6 million of interest expense and amortization of debt issuance costs and accretion expense for the final payment related to our loan with Silicon Valley Bank, partially offset by $0.6 million of income on our money market accounts.

Other expense, net for the three months ended March 31, 2018 consisted primarily of $0.3 million of interest expense related to the Eisai Note, partially offset by $0.2 million of income on our money market mutual funds.

Liquidity and capital resources

We have funded our operations primarily through the sale of equity securities and debt financing. On July 5, 2017, we closed our IPO, which resulted in the issuance and sale of 5,077,250 shares of our common stock at a public offering price of $17.00 per share, resulting in net proceeds of $78.7 million after deducting underwriting discounts and commissions and other offering costs. On February 27, 2018, we completed an underwritten public offering of 2,500,000 shares of our common stock at an offering price of $32.00 per share. Net proceeds raised from the offering were approximately $74.7 million, after deducting

underwriting discounts and commissions and other offering expenses. In addition, on April 17, 2018, we borrowed $20.0 million from SVB pursuant to the Term Loan.

On May 6, 2019, we entered into a Term Loan Facility with the Lenders, pursuant to which we may borrow up to $50.6 million, issuable in four separate tranches, of which $20.6 million ("Advance A") was issued upon execution of the Term Loan Facility and used to repay in full all of our outstanding obligations and liabilities to SVB under the Term Loan, $10.0 million ("Advance B") is available to be issued upon the occurrence of regulatory approval for the ITP indication until July 31, 2019, $10.0 million ("Advance C") is available to be issued if Advance B has been made and upon the achievement of a specified commercial revenue milestone until the earlier of April 15, 2020 or the day before Advance D is available, and $10.0 million ("Advance D") is available to be issued if Advance B has been made and upon the achievement of specified regulatory and commercial revenue milestones until July 15, 2020. The maturity date of the Term Loan Facility is April 3, 2023. Under the terms of the Term Loan Facility, we will be required to make monthly interest-only payments on the principal amount outstanding under each Advance at a floating rate equal to the Prime Rate plus 2.00%, followed by an amortization period of 35 months of equal monthly payments of principal plus interest amounts until paid in full. The interest-only period will automatically be extended to August 3, 2020 if Advance B is made and May 3, 2021 if either Advance C or Advance D is made, followed by an amortization period of 32 months and 23 months, respectively, of equal monthly payments of principal plus interest amounts until paid in full. In addition to and not in substitution for the regular monthly payments of principal plus accrued interest, we are required to make a final payment equal to 10% of the aggregate principal amount of the Advances on the maturity date.

We commercially launched DOPTELET in June 2018. Prior to the generation of revenue from DOPTELET, we had not generated any commercial revenue from the sale of our products. We expect to incur substantial and increasing losses for the foreseeable future. Our principal sources of liquidity were our cash and equivalents, which totaled $92.7 million and $104.6 million at March 31, 2019 and December 31, 2018, respectively.

The following table shows a summary of our cash flows for each of the periods shown below (in thousands):

	Three months ended March 31,	
	2019	**2018**
Cash and equivalents at the beginning of the period	$ 104,566	$ 94,846
Net cash used in operating activities	(11,944)	(11,741)
Net cash used in investing activities	(19)	(129)
Net cash provided by financing activities	100	43,921
Cash and equivalents at the end of the period	**$ 92,703**	**$ 126,897**

Operating activities

Operating activities used $11.9 million of cash during the three months ended March 31, 2019, primarily for employee related expenses, commercialization activities for DOPTELET and clinical development fees related to the CIT study, partially offset by cash receipts from our product sales.

Operating activities used $11.7 million of cash during the three months ended March 31, 2018, primarily for clinical development fees related to the initiation of the PST program, consulting fees primarily related to our commercial readiness activities. Operating cash flows also included payroll, office operational expenses, recruiting and legal fees.

Investing activities

Net cash used in investing activities related primarily for the purchases of equipment during the three months ended March 31, 2019 and 2018.

Financing activities

For the three months ended March 31, 2019, financing activities provided $0.1 million of cash, consisting of net proceeds from the issuance of common stock in connection with employee option exercises.

Financing activities provided $43.9 million of cash during the three months ended March 31, 2018, consisting primarily of net proceeds of $75.0 million from the issuance of common stock from our underwritten offering completed on February 27, 2018, partially offset by the payment in full of the Eisai Note of $31.1 million and a $40,000 prepayment for the term loan closing costs to secure the new loan with Silicon Valley Bank.

Funding requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue to build out our commercial organization including the sales leadership, marketing and market access functions and expand our commercialization activities. As we seek to obtain marketing approval for DOPTELET in other indications, we will incur additional costs around clinical trials and research and development. In addition, if we obtain FDA approval for DOPTELET in other indication or any other drug candidates, we expect to incur significant commercialization expenses. Furthermore, we have begun and will continue to incur costs as a public company that we did not previously incur or have previously incurred at lower rates as a private company. We expect that, based on our current operating plans, our existing cash and equivalents as of March 31, 2019 will be sufficient to fund our current planned operations for at least the next 12 months. We have based this estimate on assumptions that could prove to be wrong and we could use our capital resources sooner than planned. Our future funding requirements will depend on many factors, including:

- costs of continued commercial activities, including product sales, marketing, manufacturing and distribution, for DOPTELET in CLD and other indications, if approved;
- the extent of DOPTELET sales, which are significantly influenced by the buying patterns of our customers, which may be influenced by many factors beyond our control;
- establishing an alternative manufacturer for DOPTELET;
- the scope, progress, results and costs of clinical trials;
- the scope, prioritization and number of our research and development programs;
- the costs, timing and outcome of regulatory review of our drug candidates;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the costs of retaining key research and development, sales and marketing personnel;
- the costs of building out internal accounting, legal, compliance and other operational and administrative functions;
- the timing and size of any milestone payments required under our existing or future arrangements;
- the extent to which we acquire or in-license other drug candidates and technologies; and
- the costs of establishing sales and marketing capabilities if we obtain regulatory approvals to market our drug candidates.

Clinical trial development is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval of and achieve sales of DOPTELET in other indications or other drug candidates. In addition, DOPTELET or any other drug candidates, if approved, may not achieve commercial success or may be limited in approved indications. To date, our commercial revenue has only been derived from sales of DOPTELET for the treatment of thrombocytopenia in adult patients with CLD who are scheduled to undergo a procedure. Accordingly, we may need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

If we are unable to raise capital or otherwise obtain funding when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

We will seek to obtain additional capital through the sale of debt or equity financings or other arrangements such as, collaborations, strategic alliances and licensing arrangements to fund operations; however, there can be no assurance that we will be able to raise needed capital under acceptable terms, if at all. The sale of additional equity may dilute existing stockholders and newly issued shares may contain senior rights and preferences compared to currently outstanding shares of common stock. Debt securities issued or other debt financing incurred may contain covenants and limit our ability to pay dividends or make other distributions to stockholders. If we are unable to obtain such additional financing, future operations would need to be scaled back or discontinued.

Contractual Obligations and Commitments

Our future non-cancelable contractual obligations were reported in our Annual Report on Form 10-K for the year ended December 31, 2018 that was filed with the SEC on March 5, 2019. There were no material changes outside the ordinary course of our business to our future non-cancelable contractual obligations during the three months ended March 31, 2019. On May 6, 2019, we entered into the Term Loan Facility, pursuant to which we may borrow up to $50.6 million, issuable in four

separate tranches, of $20.6 million, which was issued upon execution of the Term Loan Facility and used to repay in full all of our outstanding obligations and liabilities to SVB under the Term Loan and three additional tranches through July 15, 2020 upon the achievement of specified regulatory and commercial milestones. The maturity date of the Term Loan Facility is April 3, 2023. Under the terms of the Term Loan Facility, we will be required to make monthly interest-only payments on the principal amount outstanding under each advance at a floating rate equal to the Prime Rate plus 2.00%, followed by an amortization period of 35 months of equal monthly payments of principal plus interest amounts until paid in full. The interest-only period will automatically be extended, and the amortization period correspondingly shortened, in the event that subsequent tranches are drawn. In addition, we are required to make a final payment equal to 10% of the aggregate principal amount of the advances on the maturity date. Refer to Note 8 "Debt" of our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information on the Term Loan Facility.

Off-balance sheet arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We do not engage in off-balance sheet financing arrangements. In addition, we do not engage in trading activities involving non-exchange traded contracts. We therefore believe that we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in these relationships.

Recent accounting pronouncements

See Note 2 to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements.

JOBS Act transition period

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We are in the process of evaluating the benefits of relying on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an emerging growth company, we may rely on certain of these exemptions, including without limitation, (i) not providing an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) not complying with any requirement that may be adopted by the Public Company Accounting Oversight Board. We will remain an emerging growth company until the earliest of the following to occur of (1) the last day of the fiscal year (a) ending December 31, 2022, which is the end of the fiscal year following the fifth anniversary of the completion our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a “large accelerated filer” under the rules of the U.S. Securities and Exchange Commission, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments, including cash equivalents, are in the form of a money market fund.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our business, financial condition or results of operations for the three ended March 31, 2019.

We contract with clinical research organizations globally. We may be subject to fluctuations in foreign currency rates in connection with certain of these agreements. Transactions denominated in currencies other than the U.S. dollar are recorded based on exchange rates at the time such transactions arise. As of March 31, 2019, substantially all of our total receivables and liabilities were denominated in the U.S. dollar.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With respect to the quarter ended March 31, 2019, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

Management does not expect that our disclosure controls and procedures will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of disclosure controls and procedures can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

Changes in Internal Control over Financial Reporting:

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended March 31, 2019 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 5. Other Information

On May 6, 2019, we entered into an Amended and Restated Loan and Security Agreement (the "Amended and Restated Loan Agreement"), with Silicon Valley Bank ("SVB"), and WestRiver Innovation Lending Fund VIII, L.P. ("WestRiver" and together with SVB, the "Lenders"), pursuant to which we may borrow up to $50.6 million, issuable in four separate tranches as follows: $20.6 million ("Advance A"), which was issued upon execution of the Amended and Restated Loan Agreement and used to repay in full all of our outstanding obligations and liabilities to SVB under the prior Term Loan, $10.0 million ("Advance B"), available to be issued upon the occurrence of full regulatory approval for the chronic immune thrombocytopenia indication until July 31, 2019, $10.0 million ("Advance C"), available to be issued if Advance B has been made and upon the achievement of a specified commercial revenue milestone until the earlier of April 15, 2020 or the day before Advance D is available, and $10.0 million ("Advance D"), available to be issued if Advance B has been made and upon the achievement of specified regulatory and commercial revenue milestones until July 15, 2020.

The maturity date of the Amended and Restated Loan Agreement is April 3, 2023. Under the terms of the Amended and Restated Loan Agreement, we are required to make monthly interest-only payments on the principal amount outstanding under each Advance at a floating rate equal to the greater of the Prime Rate, as defined in the Amended and Restated Loan Agreement, plus 2.00%, followed by an amortization period of 35 months of equal monthly payments of principal plus interest amounts until paid in full. The interest-only period will automatically be extended to August 3, 2020 if Advance B is made and May 3, 2021 if either Advance C or Advance D is made, followed by an amortization period of 32 months and 23 months, respectively, of equal monthly payments of principal plus interest amounts until paid in full. In addition to and not in substitution for our regular monthly payments of principal plus accrued interest, we are required to make a final payment equal to 10% of the aggregate principal amount of the Advances on the maturity date.

Our obligations under the Amended and Restated Loan Agreement are secured by substantially all of our assets except for our intellectual property and certain other assets, and we may not encumber our intellectual property without the lenders' prior written consent. The Amended and Restated Loan Agreement contains a number of affirmative and negative covenants, including covenants regarding dispositions of property, business combinations or acquisitions, incurrence of additional

indebtedness and transactions with affiliates, among other customary covenants. We are also restricted from paying dividends or making other distributions or payments on our capital stock, subject to limited exceptions. Our obligations under the Amended and Restated Loan Agreement are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in our business, operations or financial or other condition. The foregoing is a summary description of certain terms of the Amended and Restated Loan Agreement, is not complete and is qualified in its entirety by reference to the text of the Amended and Restated Loan Agreement, which is filed as an exhibit to this Quarterly Report on Form 10-Q.

Part II. Other Information

Item 1. Legal Proceedings.

We are not involved in any litigation that we believe could have a material adverse effect on our financial position or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of our executive officers, threatened against or affecting our company or our officers or directors in their capacities as such.

Item 1A. Risk Factors

Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. Except for the risk factors set forth immediately below, our risk factors have not changed materially from those described in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on March 5, 2019.

We may not be able to generate sufficient cash to service our indebtedness, which currently consists of our loan from Silicon Valley Bank and WestRiver Innovation Lending Fund VIII, L.P.

On May 6, 2019, we entered into an Amended and Restated Loan and Security Agreement with the Lenders, pursuant to which we have borrowed an aggregate of $20.6 million and may borrow up to an aggregate of $30 million. Our obligations under the Amended and Restated Loan and Security Agreement are secured by substantially all of our assets except for our intellectual property and certain other assets, and we may not encumber our intellectual property without the Lenders' prior written consent. The Amended and Restated Loan and Security Agreement contains a number of affirmative and negative covenants, including covenants regarding dispositions of property, business combinations or acquisitions, incurrence of additional indebtedness and transactions with affiliates, among other customary covenants. We are also restricted from paying dividends or making other distributions or payments on our capital stock, subject to limited exceptions. Our obligations under the loan agreement are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in our business, operations or financial or other condition. We were in compliance with these covenants as of May 7, 2019. We may also enter into other debt agreements in the future which may contain similar or more restrictive terms.

Our ability to make scheduled monthly payments or to refinance our debt obligations depends on numerous factors, including the amount of our cash reserves and our actual and projected financial and operating performance. These amounts and our performance are subject to certain financial and business factors, as well as prevailing economic and competitive conditions, some of which may be beyond our control. We cannot assure you that we will maintain a level of cash reserves or cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our existing or future indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness. We cannot assure you that we would be able to take any of these actions, or that these actions would permit us to meet our scheduled debt service obligations. Failure to comply with the conditions of the Amended and Restated Loan and Security Agreement could result in an event of default, which could result in an acceleration of amounts due under Amended and Restated Loan and Security Agreement. We may not have sufficient funds or may be unable to arrange for additional financing to repay our indebtedness or to make any accelerated payments, and the Lenders could seek to enforce security interests in the collateral securing such indebtedness, which would harm our business.

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

(b) Use of IPO Proceeds

On June 28, 2017, our registration statement on Form S-1, as amended (File No 333-218479) was declared effective by the SEC in connection with our IPO, pursuant to which we sold 5,077,250 shares of common stock, $0.001 par value per share at a public offering price of $17.00 per share, including the full exercise by the underwriters of their option to purchase additional shares.

On July 5, 2017, we received net proceeds of $78.7 million, after deducting underwriting discounts and commissions and offering expenses borne by us. None of the expenses incurred by us were direct or indirect payments to any of (i) our directors or officers or their associates, (ii) persons owning 10 percent or more of our common stock, or (iii) our affiliates. The joint book-running underwriters of the IPO were J.P. Morgan Securities LLC, Jefferies LLC and Leerink Partners LLC.

There has been no material change in the planned use of proceeds from our IPO from that described in the final prospectus related to the offering, dated June 28, 2017, as filed with the SEC on June 30, 2017.

Item 6. Exhibits

Exhibit No.	Description
3.1*	Amended and Restated Certificate of Incorporation (previously filed as Exhibit 3.3 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1 (File No. 333-218479), filed with the Commission on June 9, 2017, and incorporated by reference herein.)
3.2*	Amended and Restated Bylaws (previously filed as Exhibit 3.4 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1 (File No. 333-218479), filed with the Commission on June 9, 2017, and incorporated by reference herein)
10.1*	Dova Pharmaceuticals, Inc. Officer Change in Control Severance Benefit Plan (previously filed as Exhibit 99.1 to the Registrant's Current Report on Form 8-K (File No. 001-38135), filed with the Commission on February 8, 2019, and incorporated by reference herein)
10.2#	Amended and Restated Loan and Security Agreement, dated as of May 6, 2019, by and among Dova Pharmaceuticals, Inc., AkaRx, In., Silicon Valley Bank and WestRiver Innovation Lending Fund VIII, L.P
31.1#	Certification of Principal Executive Officer of Dova Pharmaceuticals, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2#	Certification of Principal Financial Officer of Dova Pharmaceuticals, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#++	Certifications of Principal Executive Officer and Principal Financial Officer of Dova Pharmaceuticals, Inc. pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101#	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) Notes to the Condensed Consolidated Financial Statements (filed herewith).

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

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SIGNATURES

Pursuant to the requirements of the 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.

Dova Pharmaceuticals, Inc.

Date: May 7, 2019

By: /s/ David Zaccardelli
David Zaccardelli
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 7, 2019

By: /s/ Mark W. Hahn
Mark W. Hahn
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.2

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "Agreement") dated as of May 6, 2019 (the "**Effective Date**"), among (a) **SILICON VALLEY BANK**, a California corporation, in its capacity as administrative agent and collateral agent ("**Agent**"), (b) **SILICON VALLEY BANK**, a California corporation, as a lender ("**SVB**"), (c) **WESTRIVER INNOVATION LENDING FUND VIII, L.P.**, a Delaware limited partnership ("**WestRiver**"), as a lender (SVB and WestRiver and each of the other "Lenders" from time to time a party hereto are referred to herein collectively as the "**Lenders**" and each individually as a "**Lender**"), and (d) (i) **DOVA PHARMACEUTICALS, INC.**, a Delaware corporation ("**Dova**"), and (ii) **AKARX, INC.**, a Delaware corporation ("**AkaRx**") (Dova and AkaRx are hereinafter jointly and severally, individually and collectively, "**Borrower**"), provides the terms on which Agent and the Lenders shall lend to Borrower, and Borrower shall repay Agent and the Lenders. The parties agree as follows:

A. SVB and Borrower have previously entered into that certain Loan and Security Agreement dated as of April 17, 2018, between Borrower and SVB (as amended, the "**Prior Loan Agreement**").

B. Borrower, Agent and the Lenders have agreed to amend and restate, and replace, the Prior Loan Agreement in its entirety. Borrower, Agent and the Lenders hereby agree that the Prior Loan Agreement is amended and restated in its entirety as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Notwithstanding the foregoing, all financial covenant calculations (if any) and other financial calculations shall be computed with respect to Borrower only, and not on a consolidated basis. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 14 of this Agreement. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay to Agent, for the ratable benefit of each Lender, the outstanding principal amount of all Credit Extensions advanced to Borrower by such Lender and accrued and unpaid interest thereon, together with any fees as and when due in accordance with this Agreement.

2.2 Term Loan Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, Borrower shall request on the Effective Date and the Lenders, severally and not jointly, shall make one (1) term loan advance to Borrower on or about the Effective Date in an original principal amount of Twenty Million Six Hundred Thousand Dollars ($20,600,000.00) according to each Lender's Term Loan A Commitment as set forth on Schedule 1.1 hereto (the "**Term Loan A Advance**"), provided that all of the Term Loan A Advance shall be used to repay in full all of Borrower's outstanding obligations and liabilities to SVB under the Prior Loan Agreement (including, without limitation, the "Final Payment" as defined in the Prior Loan Agreement in the amount of Six Hundred Thousand Dollars ($600,000.00)) (the "**SVB Obligations**"). Borrower hereby authorizes SVB to apply such proceeds to the SVB Obligations as part of the funding process without actually depositing such funds into an account of Borrower. Subject to the terms and conditions of this Agreement, upon Borrower's request, during the Term Loan B Draw Period, the Lenders, severally and not jointly, shall make one (1) term loan advance available to Borrower in an original principal amount of Ten Million Dollars ($10,000,000.00) according to each Lender's Term Loan B Commitment as set forth on Schedule 1.1 hereto (the "**Term Loan B Advance**"). Subject to the terms and conditions of this Agreement, upon Borrower's request, during the Term Loan C Draw Period, the Lenders, severally and not jointly, shall make one (1) term loan advance available to Borrower in an original principal amount of Ten Million Dollars ($10,000,000.00) according to each

Lender's Term Loan C Commitment as set forth on Schedule 1.1 hereto (the "**Term Loan C Advance**"). Subject to the terms and conditions of this Agreement, upon Borrower's request, during the Term Loan D Draw Period, the Lenders, severally and not jointly, shall make one (1) term loan advance available to Borrower in an original principal amount of (i) if the Term Loan C Advance has been previously made by the Lenders, Ten Million Dollars ($10,000,000.00) or (ii) if the Term Loan C Advance has not been previously made by the Lenders, Twenty Million Dollars ($20,000,000.00), in each case according to each Lender's applicable Term Loan D Commitment as set forth on Schedule 1.1 hereto (the "**Term Loan D Advance**"). The Term Loan A Advance, the Term Loan B Advance, the Term Loan C Advance and the Term Loan D Advance are hereinafter referred to singly as a "**Term Loan Advance**" and collectively as the "**Term Loan Advances**". After repayment, no Term Loan Advance (or any portion thereof) may be reborrowed.

(b) Interest Payments. With respect to each Term Loan Advance, commencing on the first (1st) Payment Date following the Funding Date of such Term Loan Advance and continuing on the Payment Date of each month thereafter, Borrower shall make monthly payments of interest to Agent, for the account of the Lenders, in arrears, on the outstanding principal amount of each Term Loan Advance, at the rate set forth in Section 2.3(a).

(c) Repayment of the Term Loan Advances. Commencing on the Amortization Date, and continuing on each Payment Date thereafter, Borrower shall repay the Term Loan Advances to Agent, for the account of the Lenders, in (i) equal monthly installments of principal over the number of months for the period commencing on the Amortization Date and ending on the Term Loan Maturity Date, plus (ii) monthly payments of accrued interest at the rate set forth in Section 2.3(a). All outstanding principal and accrued and unpaid interest with respect to the Term Loan Advances, and all other outstanding Obligations under the Term Loan Advances, are due and payable in full on the Term Loan Maturity Date.

(d) Permitted Prepayment. Borrower shall have the option to prepay all, but not less than all, of the Term Loan Advances, provided Borrower (i) delivers written notice to Agent of its election to prepay the Term Loan Advances at least ten (10) Business Days prior to such prepayment, and (ii) pays to Agent, for the account of the Lenders in accordance with their respective Pro Rata Shares, on the date of such prepayment (A) the outstanding principal plus accrued and unpaid interest with respect to the Term Loan Advances, (B) the Prepayment Fee, (C) the Final Payment and (D) all other sums, if any, that shall have become due and payable with respect to the Term Loan Advances, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts.

(e) Mandatory Prepayment Upon an Acceleration. If the Term Loan Advances are accelerated by Agent, following the occurrence and during the continuance of an Event of Default, Borrower shall immediately pay to Agent, for the account of the Lenders in accordance with its respective Pro Rata Share, an amount equal to the sum of (i) all outstanding principal plus accrued and unpaid interest with respect to the Term Loan Advances, (ii) the Prepayment Fee, (iii) the Final Payment and (iv) all other sums, if any, that shall have become due and payable with respect to the Term Loan Advances, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts.

2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rate. Subject to Section 2.3(b), the principal amount outstanding under each Term Loan Advance shall accrue interest at a floating per annum rate equal to two percent (2.0%) above the Prime Rate, which interest shall be payable monthly in accordance with Section 2.3(d) below.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is three percent (3.0%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Lenders' Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Agent or any Lender.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Payment; Interest Computation. Interest is payable monthly on the Payment Date of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 2:00 p.m. Eastern time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.4 Fees. Borrower shall pay to Agent:

(a) Term Loan A Commitment Fee. On the Effective Date, a fully earned, non-refundable commitment fee of Three Hundred Nine Thousand Dollars ($309,000.00);

(b) Term Loan B Commitment Fee. On the Funding Date, if any, of the Term Loan B Advance, a fully earned, non-refundable commitment fee of one and one-half of one percent (1.50%) of the original principal amount of the Term Loan B Advance (the "**Term Loan B Commitment Fee**");

(c) Term Loan C Commitment Fee. On the Funding Date, if any, of the Term Loan C Advance, a fully earned, non-refundable commitment fee of one and one-half of one percent (1.50%) of the original principal amount of the Term Loan C Advance (the "**Term Loan C Commitment Fee**");

(d) Term Loan D Commitment Fee. On the Funding Date, if any, of the Term Loan D Advance, a fully earned, non-refundable commitment fee of one and one-half of one percent (1.50%) of the original principal amount of the Term Loan D Advance (the "**Term Loan D Commitment Fee**");

(e) Final Payment. The Final Payment, when due hereunder, to be shared between the Lenders pursuant to their respective Term Loan Commitment Percentages. SVB hereby agrees that it will use commercially reasonable efforts to refinance the cash flow impact of the Final Payment if the Final Payment is due in connection with the Term Loan Advances being refinanced by SVB in SVB's sole and absolute discretion;

(f) Prepayment Fee. The Prepayment Fee, when due hereunder, to be shared between the Lenders pursuant to their respective Term Loan Commitment Percentages; and

(g) Lenders' Expenses. All Lenders' Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Agent).

Unless otherwise provided in this Agreement or in a separate writing by Agent, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Agent or any Lender pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of any Lender's obligation to make loans and advances hereunder. Agent may deduct amounts owing by Borrower under the clauses of this Section 2.4 pursuant to the terms of Section 2.5(e). Agent shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.4.

2.5 Payments; Pro Rata Treatment; Application of Payments; Debit of Accounts.

(a) All payments (including prepayments) to be made by Borrower under any Loan Document shall be made to Agent for the account of Lenders, in immediately available funds in Dollars, without setoff or counterclaim, before 2:00 p.m. Eastern time on the date when due. Agent shall distribute such payments to Lenders in like funds as set forth in Section 2.6. Payments of principal and/or interest received after 2:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not

a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Each borrowing by Borrower from Lenders hereunder shall be made according to the respective Term Loan Commitment Percentages of the relevant Lenders.

(c) Except as otherwise provided herein, each payment (including each prepayment) by Borrower on account of principal or interest on the Term Loan Advances shall be applied according to each Lender's Pro Rata Share of the outstanding principal amount of the Term Loan Advances. The amount of each principal prepayment of the Term Loan Advances shall be applied to reduce the then remaining installments of the Term Loan Advances based upon each Pro Rata Share of Term Loan Advances.

(d) Agent has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Agent shall allocate or apply any payments required to be made by Borrower to Agent or otherwise received by Agent or any Lender under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(e) Agent may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Agent or any Lender when due. These debits shall not constitute a set-off.

(f) Unless Agent shall have been notified in writing by Borrower prior to the date of any payment due to be made by Borrower hereunder that Borrower will not make such payment to Agent, Agent may assume that Borrower is making such payment, and Agent may, but shall not be required to, in reliance upon such assumption, make available to Lenders their respective Pro Rata Share of a corresponding payment amount. If such payment is not made to Agent by Borrower within three (3) Business Days after such due date, Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of Agent or any Lender against Borrower.

2.6 Settlement Procedures. If Agent receives any payment for the account of Lenders on or prior to 2:00 p.m. (Eastern time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on such Business Day. If Agent receives any payment for the account of Lenders after 2:00 p.m. (Eastern time) on any Business Day, Agent shall pay to each applicable Lender such Lender's Pro Rata Share of such payment on the next Business Day.

2.7 Withholding. Payments received by Agent from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Agent, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Agent receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish Agent with proof reasonably satisfactory to Agent indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.7 shall survive the termination of this Agreement.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Each Lender's obligation to make the initial Credit Extension hereunder is subject to the condition precedent that Agent shall have received, in form and substance satisfactory to Agent and the Lenders, such documents, and completion of such other matters, as Agent may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed signatures to the Loan Documents;

(b) the Operating Documents and a long-form good standing certificate of each Borrower certified by the Secretary of State of Delaware (or equivalent agency) and each other state in which either Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(c) a secretary's corporate borrowing certificate of each Borrower with respect to such Borrower's Operating Documents, incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(d) duly executed signatures to the completed Borrowing Resolutions for each Borrower;

(e) certified copies, dated as of a recent date, of financing statement searches, as Agent may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(f) the Perfection Certificate of each Borrower, together with the duly executed signatures thereto;

(g) a legal opinion (authority and enforceability) of Borrower's counsel dated as of the Effective Date together with the duly executed signature thereto;

(h) evidence satisfactory to Agent that the insurance policies and endorsements required by Section 6.4 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Agent; and

(i) payment of the fees and Lenders' Expenses then due as specified in Section 2.4 hereof.

3.2 Conditions Precedent to all Credit Extensions. Each Lender's obligation to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt by the Lenders of (i) an executed Disbursement Letter; and (ii) an executed Payment/Advance Form and any materials and documents required by Section 3.4;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Disbursement Letter (and the Payment/Advance Form) and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) Agent and each Lender determine to its satisfaction that there has not been a Material Adverse Change.

3.3 Covenant to Deliver. Borrower agrees to deliver to Agent and each Lender each item required to be delivered to Agent and each Lender under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Agent and each Lender of any such item shall not constitute a waiver by Agent or Lenders of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in each Lender's sole discretion.

3.4 Procedures for Borrowing.

(a) Term Loan Advances. Subject to the prior satisfaction of all other applicable conditions to the making of a Credit Extension set forth in this Agreement, to obtain a Credit Extension, Borrower shall notify Agent (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 2:00 p.m. Eastern time at least five (5) Business Days before the proposed Funding Date of such Credit Extension. Together with any such electronic or facsimile notification, Borrower shall deliver to Agent by electronic mail or facsimile a completed Disbursement Letter (and Payment/Advance Form) executed by an Authorized Signer. Agent may rely on any telephone notice given by a person whom Agent believes is an Authorized Signer. On the Funding Date, Agent shall credit the Credit Extensions to the Designated Deposit Account. Agent may make Credit Extensions under this Agreement based on instructions from an Authorized Signer or without instructions if the Credit Extensions are necessary to meet Obligations which have become due.

(b) Funding. In determining compliance with any condition hereunder to the making of a Credit Extension that, by its terms, must be fulfilled to the satisfaction of a Lender, Agent may presume that such condition is satisfactory to such Lender unless Agent shall have received notice to the contrary from such Lender prior to the making of such Credit Extension. Unless Agent shall have been notified in writing by any Lender prior to the date of any Credit Extension, that such Lender will not make the amount that would constitute its share of such borrowing available to Agent, Agent may assume that such Lender is making such amount available to Agent, and Agent may, in reliance upon such assumption, make available to Borrower a corresponding amount. If such amount is not made available to Agent by the required time on the Funding Date therefor, such Lender shall pay to Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate or (ii) a rate determined by Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to Agent. If such Lender's share of such Credit Extension is not made available to Agent by such Lender within five (5) Business Days after such Funding Date, Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to the Term Loan Advances, on demand, from Borrower.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. For clarity, any reference to "Agent's Lien" or any granting of collateral to Agent in this Agreement or any Loan Document means the Lien granted to Agent for the ratable benefit of the Lenders.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with SVB. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes SVB thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and SVB to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Agent's Lien in this Agreement).

If this Agreement is terminated, Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligation to make Credit Extensions has terminated, Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall

revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, SVB shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to SVB in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to SVB cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by SVB in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interests granted herein are and shall at all times continue to be a first priority perfected security interests in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Agent's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Agent in a writing signed by Borrower of the general details thereof and grant to Agent, for the ratable benefit of the Lenders, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Agent.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Agent, on behalf of the Lenders, to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Agent's and Lenders' interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Agent under the Code. Such financing statements may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Agent's discretion.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority . Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Agent and each Lender a completed certificate signed by Borrower, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Borrower represents and warrants to Agent and each Lender that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete in all material respects (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Agent of such occurrence and provide Agent with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing,

registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than SVB or SVB's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Agent and each Lender in connection herewith and with respect to which Borrower has taken such actions as are necessary to give Agent, for the ratable benefit of the Lenders, a perfected security interest therein, pursuant to the terms of Section 6.5(b).

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Litigation. There are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, Two Hundred Thousand Dollars ($200,000.00).

5.4 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Agent and the Lenders fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Agent or either Lender.

5.5 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.6 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.7 Subsidiaries; Investments. Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Five Thousand Dollars ($5,000.00).

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Agent in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower in excess of Five Thousand Dollars ($5,000.00). Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Agent and each Lender that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.11 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Agent, for the ratable benefit of the Lenders, in the Collateral, including, without limitation, the Governmental Approvals from the Food and Drug Administration (the " **FDA**"). Borrower shall promptly provide copies of any such obtained Governmental Approvals to Agent.

6.2 Financial Statements, Reports, Certificates. Provide Agent and each Lender with the following:

(a) Company-Prepared Financial Statements. As soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated and consolidating balance sheet and income statement covering Borrower's and each of its Subsidiaries' consolidated and consolidating operations for such month certified by a Responsible Officer and in a form acceptable to Agent (the "**Company-Prepared Financial Statements**"); provided however (i) for March, June and September, such Company Prepared Financial Statements shall be delivered to Agent and the Lenders no later than forty five (45) days after the last day of each such month and (ii) for December, such Company Prepared Financial Statements shall be delivered to Agent and the Lenders no later than ninety (90) days after the last day of such month;

(b) Monthly Compliance Certificate. Within thirty (30) days after the last day of each month and together with the Company-Prepared Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that, as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement (if any) and such other information as Agent or the Lenders may reasonably request; provided however (i) for March, June and September, such Compliance Certificate shall be delivered to Agent and the Lenders no later than forty five (45) days after the last day of each such month and (ii) for December, such Compliance Certificate shall be delivered to Agent and the Lenders no later than ninety (90) days after the last day of such month.

(c) Annual Operating Budget and Financial Projections. As soon as available, at least annually, and in any event no later than within thirty (30) days after the end of each fiscal year of Borrower, and contemporaneously with any updates or amendments thereto, (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by month), and (ii) annual financial projections (on a quarterly basis), in each case as approved by the Board, together with any related business forecasts used in the preparation of such annual financial projections;

(d) Annual Audited Financial Statements. As soon as available, but no later than one hundred eighty (180) days following the end of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Agent, it being agreed and acknowledged that Ernst & Young is acceptable to Agent and the Lenders;

(e) Other Statements. Within ten (10) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt;

(f) SEC Filings. Within ten (10) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower and/or any Guarantor with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the internet at Borrower's website address; provided, however, Borrower shall promptly notify Agent and the Lenders in writing (which may be by electronic mail) of the posting of any such documents;

(g) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Two Hundred Thousand Dollars ($200,000.00) or more;

(h) Beneficial Ownership Information. Prompt written notice of any changes to the beneficial ownership information set out in Section 14 of the Perfection Certificate. Borrower understands and acknowledges that each Lender relies on such true, accurate and up-to-date beneficial ownership information to meet such Lender's regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers; and

(i) Other Financial Information. Other financial information reasonably requested by Agent or any Lender.

6.3 Taxes; Pensions. Timely file and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Agent, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.4 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Agent may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are satisfactory to Agent. All property policies shall have a lender's loss payable endorsement showing Agent as lender loss payee. All liability policies shall show, or have endorsements showing, Agent as an additional insured. Agent shall be named as the sole lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Agent's option, payable to Agent for the ratable benefit of the Lenders on account of the Obligations. Notwithstanding the foregoing, (i) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Two Hundred Thousand Dollars ($200,000.00) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (A) shall be of equal or like value as the replaced or repaired Collateral and (B) shall be deemed Collateral in which Agent, for the ratable benefit of the Lenders, has been granted a first priority security interest, and (ii) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of the Lenders, be payable to the Lenders on account of the Obligations.

(c) At Agent's request, Borrower shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.4 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Agent, that it will give Agent thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.4 or to pay any amount or furnish any required proof of payment to third persons and Agent, Agent may make all or part of such payment or obtain such insurance policies required in this Section 6.4, and take any action under the policies Agent deems prudent.

6.5 Operating Accounts.

(a) Unless otherwise agreed to in writing by the Lenders in their sole discretion, maintain all of its and all of its Subsidiaries' operating, depository and securities/investment accounts with SVB and SVB's Affiliates. In addition to the foregoing, Borrower shall conduct all of its cash management, investment management and business credit card banking with SVB and SVB's Affiliates. Any Guarantor shall maintain all operating, depository, and securities/investment accounts with SVB and SVB's Affiliates.

(b) In addition to and without limiting the restrictions in (a), Borrower shall provide Agent five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than SVB or SVB's Affiliates. For each Collateral Account that Borrower at any time maintains. Borrower shall cause the applicable bank or financial institution (other than SVB) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Agent's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of the Lenders. The provisions of the previous sentence shall not

apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Agent and the Lenders by Borrower as such.

6.6 Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of all Intellectual Property material to Borrower's business; (ii) promptly advise Agent in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Agent's written consent.

(b) Provide written notice to Agent within ten (10) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Agent reasonably requests to attempt to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Agent to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Agent's and the Lenders' rights and remedies under this Agreement and the other Loan Documents.

6.7 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Agent (provided that, so long as no Event of Default has occurred and is continuing, Borrower shall be required to make the same available only during normal business hours), without expense to Agent or any Lender, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Agent and/or the Lenders may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Agent and/or any Lender with respect to any Collateral or relating to Borrower.

6.8 Further Assurances. Execute any further instruments and take further action as Agent and the Lenders reasonably request to perfect or continue Agent's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to Agent and the Lenders, within ten (10) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

6.9 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices. Borrower must promptly notify Agent of all returns, recoveries, disputes and claims that involve more than Two Hundred Thousand Dollars ($200,000.00).

6.10 Access to Collateral; Books and Records. At reasonable times, on five (5) Business Days' notice (provided no notice is required if an Event of Default has occurred and is continuing), allow Agent, or its agents, to inspect the Collateral and audit and copy Borrower's Books. Such inspections or audits shall be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Agent shall determine is necessary. The foregoing inspections and audits shall be at Borrowers' expense, and the charge therefor shall be One Thousand Dollars ($1,000.00) per person per day (or such higher amount as shall represent Agent's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Agent schedule an audit more than eight (8) days in advance, and Borrower cancels or seeks to reschedule the audit with less than eight (8) days written notice to Agent, then (without limiting any of Agent's or any Lenders rights or remedies), Borrower shall pay Agent a fee of Two Thousand Dollars ($2,000.00) plus any out-of-pocket expenses incurred by Agent to compensate Agent for the anticipated costs and expenses of the cancellation or rescheduling.

6.11 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date (including, without limitation, pursuant to a Division), Borrower shall (a) cause any such new Subsidiary that is a Domestic Subsidiary to provide to Agent and the Lenders a joinder to the Loan Agreement to cause any such new Subsidiary that is a Domestic Subsidiary to become a coborrower hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Agent and the Lenders (including being sufficient to grant Agent, for the ratable benefit of the Lenders, a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Domestic Subsidiary), (b) provide to Agent and the Lenders appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest (to the extent constituting Collateral hereunder) in such new Subsidiary, in form and substance satisfactory to Agent and the Lenders, and (c) provide to Agent and the Lenders all other documentation in form and substance reasonably satisfactory to Agent and the Lenders, which is reasonably requested in connection with the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.11 shall be a Loan Document.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without the prior written consent of the Lenders:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (including, without limitation, pursuant to a Division) (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Borrower's use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; and (f) consisting of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discrete geographical areas outside of the United States.

7.2 Changes in Business, Management, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Agent and Lenders of any Key Person departing from or ceasing to be employed by Borrower within ten (10) days after such Key Person's departure from Borrower; or (d) permit or suffer any Change in Control.

Borrower shall not, without at least thirty (30) days prior written notice to Agent: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Two Hundred Thousand Dollars ($200,000.00) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Thousand Dollars ($200,000.00) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to add any new offices or business locations, including warehouses, containing in excess of Two Hundred Thousand Dollars ($200,000.00) of Borrower's assets or property, then Borrower will first receive the written consent of Agent, and the landlord of any such new offices or business locations, including warehouses, shall execute and deliver a landlord consent in form and substance satisfactory to Agent.. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Thousand Dollars ($200,000.00) to a bailee, and Agent and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Agent, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Agent.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary or pursuant to a Division). A Subsidiary may merge or consolidate into another Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.5(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock, provided that Borrower may (i) convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) pay dividends solely in common stock, and (iii) repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of any such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed Two Hundred Thousand Dollars ($200,000.00) per fiscal year; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Agent and the Lenders.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.4, 6.5, 6.6(b), 6.9, 6.10, or 6.11 or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary) with a value in excess of One Hundred Thousand Dollars ($100,000.00), or (ii) a notice of lien or levy is filed against any of Borrower's assets with a value in excess of One Hundred Thousand Dollars ($100,000.00) by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Two Hundred Thousand Dollars ($200,000.00); or (b) any breach or default by Borrower or Guarantor, the result of which could have a material adverse effect on Borrower's or any Guarantor's business;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Thousand Dollars

($200,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Agent or any Lender or to induce Agent or any Lender to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or any applicable subordination or intercreditor agreement; or

8.10 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) causes, or could reasonably be expected to cause a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9 LENDERS' RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Agent, as directed by each Lender in accordance with the Lender Intercreditor Agreement or, if such rights and remedies are not addressed in the Lender Intercreditor Agreement, as directed by a majority of the Lenders, may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Agent or any Lender);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement among Borrower, Agent, and/or any Lenders;

(c) demand that Borrower (i) deposit cash with SVB in an amount equal to at least (A) one hundred five percent (105.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in Dollars remaining undrawn, and (B) one hundred ten percent (110.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in a Foreign Currency remaining undrawn (plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by SVB in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Agent and/or the Lenders consider advisable, and notify any Person owing Borrower money of Agent's security interest in such funds. Borrower shall collect all payments in trust for Agent, for the ratable benefit of the Lenders and, if requested by Agent, immediately deliver the payments to Agent, for the ratable benefit of the Lenders in the form received from the Account Debtor, with proper endorsements for deposit;

(f) make any payments and do any acts Agent or any Lender considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Agent requests and make it available as Agent designates. Agent may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Agent a license to enter and occupy any of its premises, without charge, to exercise any of Agent's rights or remedies;

(g) apply to the Obligations (i) any balances and deposits of Borrower it holds, or (ii) any amount held by Agent owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Agent, for the benefit of the Lenders is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Agent's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements inure to Agent, for the ratable benefit of the Lenders;

(i) place a "hold" on any account maintained with Agent or Lenders and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Agent and the Lenders under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Agent, for the benefit of the Lenders as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Agent or a third party as the Code permits. Borrower hereby appoints Agent, for the benefit of the Lenders as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and the Lenders are under no further obligation to make Credit Extensions hereunder. Agent's foregoing appointment as Borrower's attorney in fact, and all of Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and the Lenders' obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Agent may obtain such insurance or make such payment, and all amounts so paid by Agent are Lenders' Expenses and immediately due and payable, bearing

interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Agent will make reasonable efforts to provide Borrower with notice of Agent obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Agent are deemed an agreement to make similar payments in the future or Agent's and/or Lender's waiver of any Event of Default.

9.4 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Agent shall have the right to apply in any order any funds in its possession, whether from Borrower's account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Agent shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Agent and the Lenders for any deficiency. If Agent, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Agent shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Agent of cash therefor.

9.5 Liability for Collateral. So long as Agent and Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in their possession or under the control of Agent and/or Lenders, Agent and Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Agent's and any Lender's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Agent's and each Lender's rights and remedies under this Agreement and the other Loan Documents are cumulative. Agent and each Lender have all rights and remedies provided under the Code, by law, or in equity. Agent's or any Lender's exercise of one right or remedy is not an election and shall not preclude Agent or any Lender from exercising any other remedy under this Agreement or any other Loan Document or other remedy available at law or in equity, and Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Agent on which Borrower is liable.

9.8 Borrower Liability. Each Borrower may, acting singly, request Credit Extensions hereunder. Each Borrower hereby appoints each other as agent for itself for all purposes hereunder, including with respect to requesting Credit Extensions hereunder. Each Borrower hereunder shall be jointly and severally obligated to repay all Credit Extensions made hereunder, regardless of which Borrower actually receives said Credit Extension, as if each Borrower hereunder directly received all Credit Extensions. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, including, without limitation, the benefit of California Civil Code Section 2815 permitting revocation as to future transactions and the benefit of California Civil Code Sections 1432, 2809, 2810, 2819, 2839, 2845, 2847, 2848, 2849, 2850, and 2899 and 3433, and (b) any right to require Agent or the Lenders to: (i) proceed against any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Agent and Lenders may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose or realize its security by judicial or non-judicial sale) without affecting any Borrower's liability.

Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Agent or the Lenders under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or

secondarily liable for any of the Obligations, for any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 9.8 shall be null and void. If any payment is made to a Borrower in contravention of this Section 9.8, such Borrower shall hold such payment in trust for Agent and such payment shall be promptly delivered to Agent for application to the Obligations, whether matured or unmatured.

Each Borrower is entering into this Agreement, and making all representations and warranties hereunder, on a joint and several basis, and all covenants, agreements and undertakings herein expressed or implied on the part of each Borrower shall be deemed to be joint and several.

10 AGENT

10.1 Appointment and Authority.

(a) Each Lender hereby irrevocably appoints SVB to act on its behalf as Agent hereunder and under the other Loan Documents and authorizes Agent to take such actions on its behalf and to exercise such powers as are delegated to Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) The provisions of this Section 10 are solely for the benefit of Agent and Lenders, and Borrower shall not have rights as a third party beneficiary of any of such provisions. Notwithstanding any provision to the contrary elsewhere in this Agreement, Agent shall not have any duties or responsibilities to any Lender or any other Person, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent.

10.2 Delegation of Duties. Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Agent. 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 Indemnified Persons. The exculpatory provisions of this Section 10.2 shall apply to any such sub-agent and to the Indemnified Persons of Agent and any such sub-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 Agent.

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

(a) be subject to any fiduciary, trust, agency or other similar duties, regardless of whether any Event of Default has occurred and is continuing;

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

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

Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Lenders (or as Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 13.7) or (ii) in the absence of its own gross negligence or willful misconduct.

Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 3 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Agent.

10.4 Reliance by Agent. Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. In determining compliance with any condition hereunder to the making of a Credit Extension that, by its terms, must be fulfilled to the satisfaction of a Lender, Agent may presume that such condition is satisfactory to such Lender unless Agent shall have received notice to the contrary from such Lender prior to the making of such Credit Extension. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon Lenders and all future holders of the Credit Extensions.

10.5 Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default (except with respect to defaults in the payment of principal, interest or fees required to be paid to Agent for the account of Lenders), unless Agent has received notice from a Lender or Borrower referring to this Agreement, describing such Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Event of Default as shall be reasonably directed by the Lenders.

10.6 Non-Reliance on Agent and Other Lenders. Each Lender expressly acknowledges that neither Agent nor any of its officers, directors, employees, agents, attorneys in fact or affiliates has made any representations or warranties to it and that no act by Agent hereafter taken, including any review of the affairs of a Group Member or any Affiliate of a Group Member, shall be deemed to constitute any representation or warranty by Agent to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, operations, property, financial and other condition and creditworthiness of the Group Members and their Affiliates and made its own decision to make its Credit Extensions hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Group Members and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to Lenders by Agent hereunder, Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Group Member or any Affiliate of a Group Member that may come into the possession of Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

10.7 Indemnification. Each Lender agrees to indemnify Agent in its capacity as such (to the extent not reimbursed by Borrower and without limiting the obligation of Borrower to do so in accordance with the terms hereof, according to its Term Loan Commitment Percentage in effect on the date on which indemnification is sought under this Section 10.7 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Obligations shall have been paid in full, in accordance with its Term Loan Commitment Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments,

suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Credit Extensions) be imposed on, incurred by or asserted against Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Credit Extensions and all other amounts payable hereunder.

10.8 Agent in Its Individual Capacity. The Person serving as Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each such Person serving as Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Borrower, any Guarantor or any Subsidiary or other Affiliate thereof as if such Person were not Agent hereunder and without any duty to account therefor to Lenders.

10.9 Successor Agent. Agent may at any time give notice of its resignation to Lenders and Borrower, which resignation shall not be effective until the time at which the majority of the Lenders have delivered to Agent their written consent to such resignation. Upon receipt of any such notice of resignation, the Lenders shall have the right, in consultation with Borrower, to appoint a successor, which shall be a financial institution with an office in the State of California, or an Affiliate of any such bank with an office in the State of California. If no such successor shall have been so appointed by the Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent has received the written consent of the majority of the Lenders to such resignation, then the retiring Agent may on behalf of Lenders, appoint a successor Agent meeting the qualifications set forth above; provided that in no event shall any such successor Agent be a Defaulting Lender and provided further that if the retiring Agent shall notify Borrower and Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed and such collateral security is assigned to such successor Agent) and (2) all payments, communications and determinations provided to be made by, to or through Agent shall instead be made by or to each Lender directly, until such time as the Lenders appoint a successor Agent as provided for above in this Section 10.9. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 10.9). The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 10 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Indemnified Persons in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

10.10 Defaulting Lender.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as long as said Lender is a Defaulting Lender.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise, and including any amounts made available to the Agent by such Defaulting Lender pursuant to Section 13.11), shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; second, as the Borrower may request (so long as no Event of Default exists), to the funding of any Term Loan Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; third, if so determined by the Agent and Borrower, to be held in a Deposit Account and released pro rata to satisfy such Defaulting Lender's potential future funding obligations with respect to Term Loan Advances under this Agreement; fourth, so long as no Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and fifth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (A) such payment is a payment of the principal amount of any Term Loan Advances in respect of which such Defaulting Lender has not fully funded its appropriate share and (B) such Term Loan Advances were made at a time when the conditions set forth in Section 3.1 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Term Loan Advances of such Defaulting Lender until such time as all Term Loan Advances are held by the Lenders pro rata in accordance with the Term Loan Commitments under this Agreement. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 10.10(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any fee pursuant to Sections 2.4(b), 2.4(c), 2.4(d), 2.4(d), 2.4(e) or 2.4(f) for any period during which such Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(b) Defaulting Lender Cure. If Borrower and Agent agree in writing that a Lender is no longer a Defaulting Lender, Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Lender will, to the extent applicable, purchase at par that portion of outstanding Term Loan Advances of the other Lenders or take such other actions as Agent may determine to be necessary to cause the Term Loan Advances to be held on a *pro rata* basis by the Lenders in accordance with their respective Term Loan Commitment Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while such Lender was a Defaulting Lender; and provided further that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender having been a Defaulting Lender.

(c) Termination of Defaulting Lender. The Borrower may terminate the unused amount of the Term Loan Commitment of any Lender that is a Defaulting Lender upon not less than ten (10) Business Days' prior notice to Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 10.10(a)(ii) will apply to all amounts thereafter paid by Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim Borrower, Agent or any Lender may have against such Defaulting Lender.

(d) If the Person serving as Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the non-Defaulting Lenders may, to the extent permitted by applicable law, by notice in writing to Borrower

and such Person, remove such Person as Agent and, in consultation with Borrower, appoint a successor. If no such successor shall have been so appointed by the non-Defaulting Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the non-Defaulting Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

11 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Agent or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 11.

If to Borrower: Dova Pharmaceuticals, Inc.
AkaRx, Inc.
240 Leigh Farm Road
Suite 245
Durham, North Carolina 27707
Attn: CFO
Phone: 919-338-7936
Email: MHahn@dova.com

If to Agent or SVB: Silicon Valley Bank
275 Grove Street, Suite 2-200
Newton, Massachusetts 02466
Attn: Ms. Marina Mendes
Email: MMendes@svb.com

with a copy to: Morrison & Foerster LLP
200 Clarendon Street, 20th Floor
Boston, Massachusetts 02116
Attn: David A. Ephraim, Esquire
Email: DEphraim@mofo.com

If to WestRiver: WestRiver Innovation Lending Fund VIII, L.P.
c/o WestRiver Management, LLC
3720 Carillon Point
Kirkland, Washington, 98033-7455
Attn: Harper Ellison
Email: Harper@wrg.vc

12 CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Borrower, Agent, and Lenders each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Agent or Lenders from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Agent or any Lender. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may

have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 11 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, AGENT AND EACH LENDER EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure Section 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

This Section 12 shall survive the termination of this Agreement.

13 GENERAL PROVISIONS

13.1 Termination Prior to Term Loan Maturity Date; Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Term Loan Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Agent. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination. No termination of this Agreement or any Bank Services Agreement shall in any way affect or impair any right or remedy of Agent or any Lender, nor shall any such termination relieve Borrower of any Obligation to any

Lender, until all of the Obligations have been paid and performed in full. Those Obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination and payment in full of the Obligations then outstanding.

13.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Agent and Lenders' prior written consent (which may be granted or withheld in Agent's and Lenders' discretion). Agent and each Lender has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, such Lender's obligations, rights, and benefits under this Agreement and the other Loan Documents; provided that so long as no Event of Default has occurred and is continuing, a Lender shall not assign its rights hereunder to (i) a direct competitor of Borrower (as determined by the mutual agreement of Borrower and the Lenders) or (ii) a hedge or private equity fund that primarily invests in distressed debt.

13.3 Indemnification. Borrower agrees to indemnify, defend and hold Agent, each Lender and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Agent or any Lender (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Lenders' Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Agent, Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 13.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

13.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

13.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

13.6 Correction of Loan Documents. Agent may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

13.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, or release, or subordinate Lenders' security interest in, or consent to the transfer of, any Collateral shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by Agent, with the consent of the Lenders in accordance with the Lender Intercreditor Agreement or, if such item is not addressed in the Lender Intercreditor Agreement, as consented to by a majority of the Lenders, and Borrower. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents. In the event any provision of any other Loan Document is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall exclusively control.

13.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

13.9 Confidentiality Agent and the Lenders agree to maintain the confidentiality of Information (as defined below), except that Information may be disclosed (a) to Agent and/or any Lender's subsidiaries or Affiliates, and their respective employees, directors, investors, potential investors, agents, attorneys, accountants and other professional advisors (collectively, "**Representatives**" and, together with Agent and the Lenders, collectively, "**Lender Entities**"); (b) to prospective transferees, assignees, credit providers or purchasers of any of the Lenders' or Agent's interests under or in connection with this Agreement and their Representatives (provided, however, Agent and the Lenders shall use their best efforts to obtain any such prospective transferee's, assignee's, credit provider's, purchaser's or their Representatives' agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Agent's or any Lender's regulators or as otherwise required in connection with Agent's or any Lender's examination or audit; (e) as Agent or any Lender considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Agent and/or the Lenders so long as such service providers have executed a confidentiality agreement with Agent or the Lenders, as applicable, with terms no less restrictive than those contained herein. The term "Information" means all information received from Borrower regarding Borrower or its business, in each case other than information that is either: (i) in the public domain or in Agent's or any Lender's possession when disclosed to Agent or such Lender, or becomes part of the public domain (other than as a result of its disclosure by Agent or a Lender in violation of this Agreement) after disclosure to Agent and/or the Lenders; or (ii) disclosed to Agent and/or the Lenders by a third party, if Agent/the Lenders do not know that the third party is prohibited from disclosing the information.

Lender Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

13.10 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Borrower and Agent or any Lender arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

13.11 Right of Setoff. Borrower hereby grants to Agent, for the ratable benefit of the Lenders a Lien and a right of setoff as security for all Obligations to Agent and the Lenders, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Agent or any entity under the control of Agent (including a subsidiary of Agent) in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Agent or any Lender may setoff the same or any part thereof and apply the same to any liability or Obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE AGENT OR ANY LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

13.12 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

13.13 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

13.14 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

13.15 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

13.16 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13.17 Patriot Act. Each Lender hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Borrower and each of its Subsidiaries, which information includes the names and addresses of each Borrower and each of its Subsidiaries and other information that will allow Lender, as applicable, to identify Borrower and each of its Subsidiaries in accordance with the USA PATRIOT Act.

13.18 Amended and Restated Agreement. This Agreement amends and restates, in its entirety, and replaces, the Prior Loan Agreement. This Agreement is not intended to, and does not, novate the Prior Loan Agreement and Borrower reaffirms that the existing security interest created by the Prior Loan Agreement is and shall remain in full force and effect.

14 DEFINITIONS

14.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" is any "**account**" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "**account debtor**" as defined in the Code with such additions to such term as may hereafter be made.

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agent**" is defined in the preamble hereof.

"**Agreement**" is defined in the preamble hereof.

"**AkaRx**" is defined in the preamble hereof.

"**Amortization Date**" is May 1, 2020, provided, however, that if (a) the Lenders make the Term Loan B Advance, such date shall be August 3, 2020 and (b) the Lenders make the Term Loan C Advance and/or the Term Loan D Advance, such date shall be May 3, 2021.

"**Authorized Signer**" is any individual listed in Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of Borrower.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by SVB or any SVB Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in SVB's various agreements related thereto (each, a "**Bank Services Agreement**").

"**Bank Services Agreement**" is defined in the definition of Bank Services.

"**Board**" means Borrower's board of directors.

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions adopted by such Person's board of directors (and, if required under the terms of such Person's Operating Documents, stockholders) and delivered by such Person to Agent approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Agent and the Lenders may conclusively rely on such certificate unless and until such Person shall have delivered to Agent and the Lenders a further certificate canceling or amending such prior certificate.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Agent is closed.

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) SVB's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five per cent. (95.0%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition

"**Change in Control**" means (a) at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of twenty-five percent (25.0%) or more of the ordinary voting power for the election of directors of Borrower (determined on a fully diluted basis) other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to the Agent and the Lenders the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Agent and the Lenders a description of the material terms of the transaction; (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (c) at any time, Borrower shall cease to own and

control, of record and beneficially, directly or indirectly, one hundred percent (100.0%) of each class of outstanding capital stock of each Subsidiary of Borrower free and clear of all Liens (except Liens created by this Agreement).

"**CIT Milestone**" means Borrower's delivery, on or prior to July 15, 2020, to Agent and the Lenders, satisfactory to Agent and the Lenders in their reasonable discretion, of positive Phase III data for the chemotherapy-induced thrombocytopenia indication sufficient for Borrower to file a Supplemental New Drug Application with the FDA.

"**Claims**" is defined in Section 13.3.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Agent's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commercial Revenue**" means revenue, as determined in accordance with GAAP, that is derived solely from sales of Borrower's products (excluding, for clarity, any revenue arising from licensing, partnership arrangements or other similar arrangements).

"**Commitment**" and "**Commitments**" means the Term Loan Commitment(s).

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Company-Prepared Financial Statements**" is defined in Section 6.2(a).

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Agent pursuant to which Agent obtains control (within the meaning of the Code) for the benefit of the Lenders over such Deposit Account, Securities Account, or Commodity Account.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Term Loan Advance, or any other extension of credit by any Lender for Borrower's benefit.

"**Default Rate**" is defined in Section 2.3(b).

"**Defaulting Lender**" is, subject to Section 10.10(b), any Lender that (a) has failed to (i) fund all or any portion of its Term Loan Advances within two (2) Business Days of the date such Term Loan Advances were required to be funded hereunder unless such Lender notifies Agent and Borrower in writing that such failure is the result of such Lender's reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified Borrower or Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Term Loan Advance hereunder and states that such position is based on such Lender's reasonable determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by Agent or Borrower, to confirm in writing to Agent and Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of an Insolvency Proceeding, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 10.10(b)) upon delivery of written notice of such determination to Borrower and each Lender.

"**Deposit Account**" is any "**deposit account**" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is the account number ending 887 (last three digits) maintained by Borrower with SVB.

"**Disbursement Letter**" is that certain form attached hereto as Exhibit D.

"**Division**" means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

"**Dollars**," "**dollars**" or use of the sign "$" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Dollar Equivalent**" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Agent at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"**Domestic Subsidiary**" means a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

"**Dova**" is defined in the preamble hereof.

"**Effective Date**" is defined in the preamble hereof.

"**Equipment**" is all "**equipment**" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" is defined in Section 8.

"**Exchange Act**" is the Securities Exchange Act of 1934, as amended.

"**FDA**" is defined in Section 6.1(b).

"**Federal Funds Effective Rate**" means, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by SVB from three federal funds brokers of recognized standing selected by it.

"**Final Payment**" is a payment (in addition to and not in substitution for the regular monthly payments of principal plus accrued interest) equal to the original aggregate principal amount of each Term Loan Advance extended by the Lenders to Borrower hereunder multiplied by ten percent (10.0%) due on the earliest to occur of (a) the Term Loan Maturity Date, (b) the repayment of the Term Loan Advances, (c) as required pursuant to Section 2.2(d) or 2.2(e), or (d) the termination of this Agreement.

"**First Commercial Revenue Milestone**" means Borrower's delivery to Agent and the Lenders, on or prior to April 15, 2020, of evidence, satisfactory to Agent and the Lenders in their reasonable discretion, that Borrower had Commercial Revenue of at least [***] for [***] ending after the Effective Date but on or prior to March 31, 2020.

"**Foreign Currency**" means lawful money of a country other than the United States.

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

"**Funding Date**" is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

"**FX Contract**" is any foreign exchange contract by and between Borrower and SVB under which Borrower commits to purchase from or sell to SVB a specific amount of Foreign Currency on a specified date.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may

be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guarantor**" is any Person providing a Guaranty in favor of Agent or any Lender.

"**Guaranty**" is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 13.3.

"**Information**" is defined in Section 13.9.

"**Initial Public Offering**" is the initial, underwritten offering and sale of Borrower's common stock to the public pursuant to an effective registration statement under the Securities Act.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means, with respect to any Person, all of such Person's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;

(c) any and all internet domain names;

(d) any and all source code;

(e) any and all design rights which may be available to such Person;

(f) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above;

(g) all registrations, applications, amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents or other Intellectual Property; and

(h) any and all goodwill of Borrower connected with any of the foregoing.

"**Inventory**" is all "**inventory**" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**ITP Milestone**" means Borrower's delivery to Agent and the Lenders, on or prior to July 31, 2019, of evidence, satisfactory to Agent and the Lenders in their reasonable discretion, that Dova has received full regulatory approval for the chronic immune thrombocytopenia indication.

"**Key Person**" is each of Borrower's Chief Executive Officer and Chief Financial Officer.

"**Lender**" and "**Lenders**" is defined in the preamble.

"**Lender Entities**" is defined in Section 13.9.

"**Lender Intercreditor Agreement**" is, collectively, any and all intercreditor agreement, master arrangement agreement or similar agreement by and between WestRiver and SVB, as each may be amended from time to time in accordance with the provisions thereof.

"**Lenders' Expenses**" are all of Agent's and the Lenders' audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

"**Letter of Credit**" is a standby or commercial letter of credit issued by SVB upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Perfection Certificate, each Disbursement Letter, any Bank Services Agreement, any Control Agreement, any subordination agreement, any note, or notes or guaranties executed by Borrower or Guarantor, and any other present or future agreement by Borrower and/or Guarantor with or for the benefit of Agent and the Lenders in connection with this Agreement, all as amended, restated, or otherwise modified.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Agent's, for the ratable benefit of the Lenders, Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, fees, Lenders' Expenses, the Final Payment, the Prepayment Fee and other amounts Borrower owes Agent or any Lender now or later, whether under this Agreement, the other Loan Documents, or otherwise, including, without limitation, all obligations relating to Bank Services, if any, and including any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Agent and/or the Lenders, and to perform Borrower's duties under the Loan Documents.

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment/Advance Form**" is that certain form attached hereto as Exhibit C.

"**Payment Date**" is the first (1st) Business Day of each month.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Agent and the Lenders under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date which is shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "Permitted Liens" hereunder;

(g) unsecured Indebtedness with respect to American Express corporate credit cards not exceeding Six Hundred Thousand Dollars ($600,000.00) in the aggregate outstanding at any time;

(h) other unsecured Indebtedness not otherwise permitted by Section 7.4 not exceeding Two Hundred Thousand Dollars ($200,000.00) in the aggregate outstanding at any time; and

(i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (h) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date which are shown on the Perfection Certificate (but specifically excluding any future Investments in any Subsidiaries unless otherwise permitted hereunder);

(b) Investments consisting of Cash Equivalents;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;

(d) Investments consisting of deposit accounts (but only to the extent that Borrower is permitted to maintain such accounts pursuant to Section 6.5 of this Agreement) in which Agent, for the ratable benefit of the Lenders, has a first priority perfected security interest;

(e) Investments accepted in connection with Transfers permitted by Section 7.1;

(f) Investments consisting of the creation of a Subsidiary for the purpose of consummating a merger transaction permitted by Section 7.3 of this Agreement, which is otherwise a Permitted Investment;

(g) Investments (i) by a Borrower in another Borrower, (ii) by a Borrower in Subsidiaries not to exceed Two Hundred Thousand Dollars ($200,000.00) in the aggregate in any fiscal year and (iii) by Subsidiaries (other than a Borrower) in other Subsidiaries not to exceed Two Hundred Thousand Dollars ($200,000.00) in the aggregate in any fiscal year or in Borrower;

(h) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by the Board;

(i) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(j) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (j) shall not apply to Investments of Borrower in any Subsidiary; and

(k) other Investments not otherwise permitted by Section 7.7 not exceeding Two Hundred Thousand Dollars ($200,000.00) in the aggregate outstanding at any time.

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date which are shown on the Perfection Certificate or arising under this Agreement or the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on Borrower's Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than Two Hundred Thousand Dollars ($200,000.00) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Two Hundred Thousand Dollars ($200,000.00) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Agent, for the ratable benefit of the Lenders, a security interest therein;

(h) non-exclusive licenses of Intellectual Property granted to third parties in the ordinary course of business, and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7; and

(j) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that (i) Agent, for the ratable benefit of the Lenders, has a first priority perfected security interest in the amounts held in such deposit and/or securities accounts (ii) such accounts are permitted to be maintained pursuant to Section 6.5 of this Agreement.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prepayment Fee**" shall be an additional fee, payable to the Lenders, with respect to the Term Loan Advances, upon the prepayment of the Term Loan Advances, in an amount equal to (a) four percent (4.0%) of the original principal amount of all Term Loan Advances made by the Lenders if the prepayment is made on or prior to the first anniversary of the Effective Date, or (b) zero percent (0.0%) of the original principal amount of all Term Loan Advances made by the Lenders if the prepayment is made after the first anniversary of the Effective Date. Notwithstanding the foregoing, each Lender agrees to waive its portion of the Prepayment Fee if the Term Loan Advances are prepaid in full in accordance with Section 2.2(d) in connection and simultaneously with the refinancing of the Term Loan Advances by such Lender in such Lender's sole and absolute discretion.

"**Prime Rate**" is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Agent, the "Prime Rate" shall mean the rate of interest per annum announced by SVB as its prime rate in effect at its principal office in the State of California (such SVB announced Prime Rate not being intended to be the lowest rate of interest charged by SVB in connection with extensions of credit

to debtors); provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"**Prior Loan Agreement**" is defined in Recital A of this Agreement.

"**Pro Rata Share**" is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by *dividing* the outstanding principal amount of Term Loan Advances held by such Lender *by* the aggregate outstanding principal amount of all Term Loan Advances.

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Removal Effective Date**" is defined in Section 10.10(d).

"**Representatives**" is defined in Section 13.9.

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" is any of the Chief Executive Officer, President, Chief Financial Officer, and Controller of Borrower.

"**Restricted License**" is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Agent's right to sell any Collateral.

"**SEC**" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Second Commercial Revenue Milestone**" means Borrower's delivery to Agent and the Lenders, on or prior to July 15, 2020, of evidence, satisfactory to Agent and the Lenders in their reasonable discretion that Borrower had Commercial Revenue of at least [***] for [***] ending after the Effective Date but on or prior to June 30, 2020.

"**Securities Account**" is any "**securities account**" as defined in the Code with such additions to such term as may hereafter be made.

"**Subordinated Debt**" is indebtedness incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Agent and the Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Agent and the Lenders entered into between Agent, the Lenders and the other creditor), on terms acceptable to Agent and the Lenders.

"**Subsidiary**" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or Guarantor.

"**SVB**" is defined in the preamble hereof.

"**Term Loan A Advance**" is defined in Section 2.2(a).

"**Term Loan Advance**" and "**Term Loan Advances**" are each defined in Section 2.2(a).

"**Term Loan B Advance**" is defined in Section 2.2(a).

"**Term Loan B Commitment Fee**" is defined in Section 2.4(b).

"**Term Loan B Draw Period**" is the period of time commencing upon the occurrence of the ITP Milestone and continuing through the earlier to occur of (a) July 31, 2019, and (b) the occurrence of an Event of Default.

"**Term Loan C Advance**" is defined in Section 2.2(a).

"**Term Loan C Availability Event**" means the occurrence of both of the following: (a) the Lenders have made the Term Loan B Advance and (b) Borrower has achieved the First Commercial Revenue Milestone.

"**Term Loan C Commitment Fee**" is defined in Section 2.4(c).

"**Term Loan C Draw Period**" is the period of time commencing upon the occurrence of the Term Loan C Availability Event and continuing through the earlier to occur of (a) April 15, 2020, (b) the day immediately prior to the on which the Term Loan D Availability Event occurs and (c) the occurrence of an Event of Default.

"**Term Loan Commitment**" means, for any Lender, the obligation of such Lender to make a Term Loan Advance as and when available, up to the principal amount shown on Schedule 1. "Term Loan Commitments" means the aggregate amount of such commitments of all Lenders.

"**Term Loan Commitment Percentage**" means, as to any Lender at any time, the percentage (carried out to the fourth decimal place) of the Term Loan Commitments represented by such Lender's Term Loan Commitment at such time. The initial Term Loan Commitment Percentage of each Lender is set forth opposite the name of such Lender on Schedule 1.

"**Term Loan D Advance**" is defined in Section 2.2(a).

"**Term Loan D Availability Event**" means the occurrence of both of the following: (a) the Lenders have made the Term Loan B Advance and (b) Borrower has achieved both the CIT Milestone and the Second Commercial Revenue Milestone.

"**Term Loan D Commitment Fee**" is defined in Section 2.4(d).

"**Term Loan D Draw Period**" is the period of time commencing upon the occurrence of the Term Loan D Availability Event and continuing through the earlier to occur of (a) July 15, 2020 and (b) the occurrence of an Event of Default.

"**Term Loan Maturity Date**" is April 3, 2023.

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"**Transfer**" is defined in Section 7.1.

"**WestRiver**" is defined in the preamble hereof.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

DOVA PHARMACEUTICALS, INC.

By: /s/ David S. Zaccardelli

Name: David S. Zaccardelli

Title: CEO

AKARX, INC.

By: /s/ Mark W. Hahn

Name: Mark W. Hahn

Title: CFO

AGENT:

SILICON VALLEY BANK, as Agent

By: /s/ Michael McMahon

Name: Michael McMahon

Title: Director

LENDERS:

SILICON VALLEY BANK

By: /s/ Michael McMahon

Name: Michael McMahon

Title: Director

WESTRIVER INNOVATION LENDING FUND VIII, L.P.

By: /s/ Trent Dawson

Name: Trent Dawson

Title: CFO

SCHEDULE 1

LENDERS AND COMMITMENTS

TERM LOAN COMMITMENTS

Lender	**Term Loan A Advance Commitment**	**Term Loan A Advance Commitment Percentage**
Silicon Valley Bank	$10,300,000.00	50.0%
WestRiver Innovation Lending Fund VIII, L.P.	$10,300,000.00	50.0%
TOTAL	**$20,600,000.00**	**100.0000%**

Lender	**Term Loan B Advance Commitment**	**Term Loan B Advance Commitment Percentage**
Silicon Valley Bank	$5,000,000.00	50.0%
WestRiver Innovation Lending Fund VIII, L.P.	$5,000,000.00	50.0%
TOTAL	**$10,000,000.00**	**100.0000%**

Lender	**Term Loan C Advance Commitment**	**Term Loan C Advance Commitment Percentage**
Silicon Valley Bank	$5,000,000.00	50.0%
WestRiver Innovation Lending Fund VIII, L.P.	$5,000,000.00	50.0%
TOTAL	**$10,000,000.00**	**100.0000%**

Lender	**Term Loan D Advance Commitment**	**Term Loan D Advance Commitment Percentage**
Silicon Valley Bank	$5,000,000.00 ($10,000,000.00 if Term Loan C Advance not previously drawn)	50.0%
WestRiver Innovation Lending Fund VIII, L.P.	$5,000,000.00 ($10,000,000.00 if Term Loan C Advance not previously drawn)	50.0%
TOTAL	**$10,000,000.00** ($20,000,000.00 if Term Loan C Advance not previously drawn)	**100.0000%**

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

EXHIBIT A - COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any equity securities of AKARX, Inc owned by DOVA PHARMACEUTICALS, INC., (ii) more than sixty-five percent (65.0%) of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter, (iii) any interest of Borrower as a lessee or sublessee under a real property lease or an Equipment lease if Borrower is prohibited by the terms of such lease from granting a security interest in such lease or under which such an assignment or Lien would cause a default to occur under such lease (but only to the extent that such prohibition is enforceable under all applicable laws including, without limitation, the Code); provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by Borrower, Agent or any Lender, or (iv) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Agent's security interest in such Accounts and
such other property of Borrower that are proceeds of the Intellectual Property.

Pursuant to the terms of a certain negative pledge arrangement with Agent and the Lenders, Borrower has agreed not to encumber any of its Intellectual Property without Agent's and the Lenders' prior written consent.

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

EXHIBIT B
COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK, as Agent, SVB, and WESTRIVER Date: _____
FROM: DOVA PHARMACEUTICALS, INC. and AKARX, INC.

The undersigned authorized officer of DOVA PHARMACEUTICALS, INC. and AKARX, INC. (individually and collectively, jointly and severally, "**Borrower**") certifies that under the terms and conditions of the Amended and Restated Loan and Security Agreement among Borrower, SVB, and WestRiver (the "**Loan Agreement**"):

(1) Borrower is in complete compliance for the period ending _____ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.8 of the Agreement, and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Agent.

Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	**Required**	**Complies**
Company-prepared financial statements with Compliance Certificate	Monthly within 30 days*	Yes No
Annual financial statement (CPA Audited)	FYE within 180 days	Yes No
Filed 10-Q, 10-K and 8-K	Within 10 days after filing with SEC	Yes No
Board-Approved Projections	FYE within 30 days, and as amended/updated	Yes No

* provided however (i) for March, June and September, such items shall be delivered to Agent and the Lenders no later than forty five (45) days after the last day of each such month and (ii) for December, such items shall be delivered to Agent and the Lenders no later than ninety (90) days after the last day of such month.

Other Matters

Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.	Yes	No

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

DOVA PHARMACEUTICALS, INC.
AKARX, INC.

By: __
Name: __
Title: __

AGENT USE ONLY

Received by: _____
AUTHORIZED SIGNER
Date: _____

Verified: _____
AUTHORIZED SIGNER
Date: _____

Compliance Status: Yes No

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

EXHIBIT C

LOAN PAYMENT/ADVANCE REQUEST FORM
DEADLINE FOR SAME DAY PROCESSING IS 2:00 P.M. EASTERN TIME

Fax To: Date: _____

LOAN PAYMENT: DOVA PHARMACEUTICALS, INC. and AKARX, INC.

From Account #_____ To Account #_____
(Deposit Account #) (Loan Account #)
Principal $_____ and/or Interest $_____

Authorized Signature:__ Phone Number: __
Print Name/Title: __

LOAN ADVANCE:

Complete *Outgoing Wire Request* section below if all or a portion of the funds from this loan advance are for an outgoing wire.

From Account #_____ To Account #_____
(Loan Account #) (Deposit Account #)

Amount of Term Loan Advance $_____

All Borrower's representations and warranties in the Amended and Restated Loan and Security Agreement are true, correct and complete in all material respects on the date of the request for an advance; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date:

Authorized Signature:__ Phone Number: __
Print Name/Title: __

OUTGOING WIRE REQUEST:
Complete only if all or a portion of funds from the loan advance above is to be wired.
Deadline for same day processing is 2:00 p.m., Eastern Time

Beneficiary Name: _____ Amount of Wire: $__
Beneficiary Bank: _____ Account Number: __
City and State: __

Beneficiary Bank Transit (ABA) #: __ Beneficiary Bank Code (Swift, Sort, Chip, etc.): __
(For International Wire Only)
Intermediary Bank: __ Transit (ABA) #: __
For Further Credit to: __

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Special Instruction: __

By signing below, I (we) acknowledge and agree that my (our) funds transfer request shall be processed in accordance with and subject to the terms and conditions set forth in the agreements(s) covering funds transfer service(s), which agreements(s) were previously received and executed by me (us).

Authorized Signature: _____ 2nd Signature (if required): _____
Print Name/Title: _____ Print Name/Title: _____
Telephone #: _____ Telephone #: __

EXHIBIT D

Form of Disbursement Letter

[see attached]

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

DISBURSEMENT LETTER

[DATE]

The undersigned, being the duly elected and acting _____ of **DOVA PHARMACEUTICALS, INC.** , a Delaware corporation ("**Dova**"), and **AKARX, INC.**, a Delaware corporation ("**AkaRx**") (Dova and AkaRx are hereinafter jointly and severally, individually and collectively, " **Borrower**"), does hereby certify to (a) **SILICON VALLEY BANK**, a California corporation ("**SVB**"), in its capacity as administrative agent and collateral agent ("**Agent**"), (b) **SILICON VALLEY BANK**, a California corporation, as a lender, (c) **WESTRIVER INNOVATION LENDING FUND VIII, L.P.** , a Delaware limited partnership ("**WestRiver**"), as a lender (SVB and WestRiver and each of the other "Lenders" from time to time a party hereto are referred to herein collectively as the "**Lenders**" and each individually as a "**Lender**") in connection with that certain Amended and Restated Loan and Security Agreement dated as of May 6, 2019, by and among Borrower, Agent and the Lenders from time to time party thereto (the " **Loan Agreement**"; with other capitalized terms used below having the meanings ascribed thereto in the Loan Agreement) that:

1. The representations and warranties made by Borrower in Section 5 of the Loan Agreement and in the other Loan Documents are true and correct in all material respects as of the date hereof.

2. No event or condition has occurred that would constitute an Event of Default under the Loan Agreement or any other Loan Document.

3. Borrower is in compliance with the covenants and requirements contained in Sections 4, 6 and 7 of the Loan Agreement.

4. All conditions referred to in Section 3 of the Loan Agreement to the making of a Credit Extension to be made on or about the date hereof have been satisfied or waived by Agent.

5. No Material Adverse Change has occurred.

6. The undersigned is an Authorized Signer.

[Balance of Page Intentionally Left Blank]

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

7. The proceeds of the Term Loan Advance shall be disbursed as follows:

Disbursement from SVB:	
Loan Amount	$_____
Plus:	
--Deposit Received	$_____
Less:	
--Commitment Fee	($_____)
--Payoff of Silicon Valley Bank	($_____)
--Lender's Legal Fees	($_____)*
Net Proceeds due from SVB:	**$_____**
Disbursement from WestRiver:	
Loan Amount	$_____
Plus:	
--Deposit Received	$_____
Less:	
--Commitment Fee	($_____)
--Lender's Legal Fees	($_____)*
Net Proceeds due from WestRiver:	**$_____**
TOTAL TERM LOAN ADVANCE NET PROCEEDS FROM LENDERS	**$_____**

8. The aggregate net proceeds of the Term Loan Advance shall be transferred to the Designated Deposit Account as follows:

Account Name:	_____
Bank Name:	Silicon Valley Bank
Bank Address:	3003 Tasman Drive Santa Clara, California 95054
Account Number:	_____
ABA Number:	_____

[Balance of Page Intentionally Left Blank]

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Dated as of the date first set forth above.

BORROWER:

DOVA PHARMACEUTICALS, INC.

By__
Name:__
Title:__

AKARX, INC.

By__
Name:__
Title:__

LENDER:
SILICON VALLEY BANK

By__
Name:__
Title:__

LENDER:

WESTRIVER INNOVATION LENDING FUND VIII, L.P.

By__
Name:__
Title:__

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Zaccardelli, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2019 of Dova Pharmaceuticals, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2019

/s/ David Zaccardelli

David Zaccardelli
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark W. Hahn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2019 of Dova Pharmaceuticals, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2019

/s/ Mark W. Hahn
Mark W. Hahn
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATIONS OF
PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), David Zaccardelli, President and Chief Executive Officer of Dova Pharmaceuticals, Inc. (the "Company"), and Mark W. Hahn, 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 March 31, 2019, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the 7th day of May 2019.

/s/ David Zaccardelli	/s/ Mark W. Hahn
David Zaccardelli	Mark W. Hahn
President and Chief Executive Officer (principal executive officer)	Chief Financial Officer (principal 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 the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.