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FINANCIAL STATEMENTS

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As filed with the Securities and Exchange Commission on March 17, 2014

Registration Statement No. 333-

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

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AGILE THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**23-2936302**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(IRS Employer Identification Number)*

101 Poor Farm Road
Princeton, New Jersey 08540
(609) 683-1880

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Alfred Altomari
Chief Executive Officer
Agile Therapeutics, Inc.
101 Poor Farm Road
Princeton, New Jersey 08540
(609) 683-1880

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Steven M. Cohen	**Peter N. Handrinos**
Emilio Ragosa	**Latham & Watkins LLP**
Morgan, Lewis & Bockius LLP	**John Hancock Tower, 20th Floor**
502 Carnegie Center	**200 Clarendon Street**
Princeton, New Jersey 08540	**Boston, Massachusetts 02116**
(609) 919-6600	**(617) 948-6000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee(3)**
Common Stock, par value $0.0001 per share	$69,000,000	$8,888

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes shares of common stock subject to the underwriters' option to purchase additional shares of common stock.

(3) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Subject to Completion, dated March 17, 2014

Shares

COMMON STOCK

We are offering shares of our common stock. This is our initial public offering and no public market currently exists for our common stock. We expect that the initial public offering price will be between $ and $ per share.

We intend to apply to list our common stock on the NASDAQ Global Market under the symbol "AGRX."

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, and will be subject to reduced public company reporting requirements.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 11.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount and commissions(1)	$	$
Proceeds, before expenses, to us	$	$

(1) See "Underwriting" in this prospectus for a description of compensation payable to the underwriters.

We have granted the underwriters an option to purchase up to additional common shares to cover over-allotments, if any, exercisable at any time until 30 days after the date of this prospectus. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $ and the total proceeds to us, before expenses, will be $.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about , 2014.

RBC CAPITAL MARKETS **WILLIAM BLAIR**

CANTOR FITZGERALD & CO. **JANNEY MONTGOMERY SCOTT**

Prospectus dated , 2014


Agile®
THERAPEUTICS
twirla™
(levonorgestrel/ethinyl estradiol)
transdermal system

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not authorized anyone to provide you with information that is different from that contained in such prospectuses. We are offering to sell shares of our common stock, and seeking offers to buy shares of our common stock, only in jurisdictions where such offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock.

Until and including , 2014, 25 days after the date of this prospectus, all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

For investors outside of the United States: neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. Before you decide to invest in our common stock, you should read the entire prospectus carefully, including the "Risk Factors" section and the financial statements and related notes appearing at the end of this prospectus. In this prospectus, unless otherwise stated or the context otherwise indicates, references to "Agile," "we," "us" or "our" refer to Agile Therapeutics, Inc.

Overview

We are a women's health specialty pharmaceutical company focused on the development and commercialization of new prescription contraceptive products. Our product candidates are designed to provide women with contraceptive options that offer greater convenience and facilitate compliance. Our lead product candidate, Twirla™, also known as AG200-15, is a once-weekly prescription contraceptive patch currently in Phase 3 clinical development. We anticipate receiving data from our Phase 3 trial by the end of 2015, and, if approved, we plan to launch Twirla in the United States through a focused specialty sales force. Twirla is based on our proprietary transdermal patch technology, called Skinfusion®, which is designed to provide advantages over currently available patches and is intended to optimize patch adherence, stability and patient acceptance. Twirla is a combined hormonal contraceptive, or CHC, patch that contains the active ingredients ethinyl estradiol, or EE, which is a form of the hormone estrogen, and levonorgestrel, or LNG, which is a type of progestin, both of which have an established history of efficacy and safety in currently marketed combination low-dose, oral contraceptives. Twirla is designed to consistently deliver both hormones over a seven-day period at levels comparable to currently marketed low-dose oral contraceptives. By delivering these active ingredients over seven days, in a comfortable, convenient and easy-to-use weekly patch, Twirla is designed to promote enhanced patient compliance.

The U.S. hormonal contraceptive market, with total market sales of $5.6 billion in 2013, represents the greatest opportunity for Twirla. Over half of those sales were generated by branded products. Contraceptive methods, other than sterilization, can be divided into non-hormonal and hormonal alternatives. Non-hormonal contraceptive products available in the United States include the diaphragm, male condom and female condom. There are several methods of hormonal contraception available in the United States, including oral contraceptives, a vaginal ring, intrauterine contraceptive devices, or IUDs, subcutaneous implants, injectables and a transdermal patch. Over the years, the doses of EE most commonly included in CHCs have steadily decreased to 35 micrograms per day or below, due to associated safety risks of higher EE doses. The only currently marketed transdermal patch delivers a dose of EE that is 60% higher than that delivered with low-dose oral contraceptives containing 35 micrograms of EE. As a result, the currently marketed patch carries a black box warning describing safety risks associated with this higher level of EE. Before these issues were identified with the currently marketed patch, it achieved rapid market uptake and quickly captured approximately 10% of the CHC market. We believe there is an unmet market need for a low-dose transdermal patch as a contraceptive option that does not carry the additional safety risks associated with higher levels of EE.

Twirla is designed to be highly appealing to patients and healthcare professionals as a method of contraception. Twirla delivers approximately 30 micrograms of EE per day, a dose of EE consister with low-dose oral contraceptives. The dose of EE in Twirla is much lower than the levels of EE delivered by the currently marketed patch, as reported in that patch's label. Twirla is round and made of a soft, flexible, silky fabric, designed to flex with the movement of a woman's body. Twirla is a matrix patch consisting of several layers of material which contain the active ingredients EE and LNG, inactive ingredients to assist in transport of EE and LNG across the skin, and adhesives that allow adherence to the skin. There is a barrier formed between the inner portion of the patch, which contains the active ingredients, and the outer portion of the patch, which only contains the adhesive. This barrier is intended to prevent the active and inactive ingredients from migrating to the peripheral portion of the patch, and from breaking down the adhesive in that portion of the patch. Twirla is also designed to help prevent seepage of the adhesives from around the edges of the patch where it could collec dirt and leave a sticky black ring on the skin. The six layers of the patch are integrated to create a patch which has a slim profile, less than one half millimeter, and is unobtrusive when applied. The results of multiple clinical trials suggest that Twirla delivers the active ingredients needed for contraception over a seven-day period, and that it remains adhered to the skin of most subjects for the full seven-day period, even under conditions of heat, humidity, showering, exposure to water and vigorous exercise.

We have conducted a comprehensive clinical program enrolling over 2,100 women in Phase 1, Phase 2 and Phase 3 trials, over 1,500 of whom received Twirla. In the larger of our two completed Phase 3 trials, 485 women received Twirla for 12 months. In Phase 1 and Phase 2 clinical trials, we demonstrated that Twirla delivers levels of both EE and LNG to the blood stream that are consistent with current low-dose oral contraceptives. In our two completed Phase 3 clinical trials that enrolled over 1,900 women in the aggregate for up to 12 months, we demonstrated that Twirla generally had comparable efficacy and tolerability to an approved low-dose oral contraceptive. Across all clinical trials, Twirla was generally well tolerated and had a favorable safety profile.

In our Phase 3 trials, the primary measure of efficacy is the Pearl Index, or PI, which is a measure of the rate of unintended pregnancies experienced by women in the study. Specifically, the PI is expressed as the number of pregnancies per 100 woman-years of use. The PI values in the pooled completed Phase 3 trials for both the Twirla patch, 5.76, and the combined oral contraceptive control, 6.72, were higher than the PI range of 1.34 to 3.19 for products approved by the U.S. Food & Drug Administration, or FDA, within the past ten years. We believe that the results for both the patch and oral contraceptive control arms in our completed Phase 3 trials were affected primarily by issues with study conduct at several study sites, including rapid enrollment which led to an inability to manag the study population, poor subject compliance and high rates of loss to follow-up. The results were also affected in part by the study population, which differed in composition from the populations enrolled in trials of previously approved CHCs. Our Phase 3 trials had a high number of new users and minorities as compared to other CHC clinical trials. In particular, many contraceptive trials have enrolled a high proportion of subjects who immediately switched from other hormonal contraceptives, referred to as current users. However, only 17.8% of subjects in our larger Phase 3 trial randomized to receive Twirla were current users, and therefore, we had a higher than usual proportion of new users of

contraception. Notably, there was a higher incidence of noncompliance in new users as compared to experienced users. Higher rates of noncompliance in contraceptive studies often correlate with a higher contraceptive failure rate.

We have filed a Section 505(b)(2) New Drug Application, or NDA, for approval of Twirla by the FDA, which is required before marketing a new drug in the United States. A Section 505(b)(2) NDA relies in part on clinical trials that we conducted and in part on third-party findings of safety and efficacy for the active ingredients for which we have not obtained a right of reference or which have been established in the scientific literature in the public domain. The FDA has indicated in a Complete Response Letter, or CRL, that our NDA was not sufficient for approval as originally submitted, due in part to the higher than desired PI. After multiple communications with the FDA, we have received significant guidance as to what additional clinical development and other activities need to be completed prior to approval. In accordance with the FDA's advice and comments, we are preparing to conduct an additional Phase 3 clinical trial and we expect to enroll our first subject in the third quarter of 2014. Based on the guidance that we received from the FDA, we believe that this additional trial will address all of the clinical issues raised in the CRL.

We have designed our additional Phase 3 trial as a single-arm study in which approximately 2,000 female subjects will receive Twirla for up to one year. We plan on enrolling subjects at 50 to 70 U.S. sites that have experience in conducting contraceptive studies. To manage the study, we recently hired a new Chief Medical Officer, and we intend to retain a new clinical research organization, or CRO, that is experienced in contraceptive clinical studies. We believe that by utilizing a more experienced CRO and more experienced clinical sites, we will be able to enroll subjects who will be more compliant with our protocol. Various technologies will be employed throughout the study to collect information on a real-time basis to ensure compliance with recruitment and protocol procedures. For example, subjects will use an electronic diary to record the data that are critical to the calculation of the PI, such as sexual activity, back-up contraception use and patch usage. In addition, we will employ an independent Pregnancy Review Committee to ensure accurate and timely pregnancy adjudication. Assuming successful completion of this additional study by the end of 2015, we plan to submit a complete response that includes the additional clinical trial results to the FDA in the first half of 2016.

Obstetricians and gynecologists, or ObGyns, contribute nearly 50% of the U.S. contraception prescription volume, and Nurse Practitioners and Physician Assistants, or NP/PAs, who are often affiliated with an ObGyn practice, contribute an additional 23% of the U.S. prescriptions. We believe that we can address this market with a specialty sales force of approximately 70 to 100 representatives. We also intend to augment our sales force through digital marketing and other techniques to market directly to patients.

Our Skinfusion technology makes Twirla the first patch capable of delivering a contraceptive dose of LNG across the skin, allowing weekly application using a patch that is soft and flexible and is designed to adhere well with low levels of skin irritation. We, along with Corium International, Inc., or Corium, our manufacturing partner, have made a significant investment in a proprietary process t manufacture Twirla. We believe we have developed a robust process to reliably manufacture Twirla on a commercial scale. The materials produced for our clinical trials were manufactured using the same process that will be used for our commercial-scale manufacturing, and we have made a significant investment in equipment for commercial-scale

manufacturing if Twirla is approved. We believe that the technical challenges and know-how involved in manufacturing, including proprietary chemistry, production to scale and use of custom equipment and reproducibility, present significant barriers to entry for other pharmaceutical companies who might potentially want to replicate our Skinfusion technology.

Our intellectual property represents an additional barrier to potential competitors. We have five issued U.S. patents which cover Twirla that we intend to list in the Orange Book, the last of which expires in 2028. In addition, we continue to prosecute additional patent applications relating to Twirla, as well as our other product candidates, both in the United States and internationally. The intellectual property behind all of our product candidates in the pipeline and our Skinfusion technology consists of patent families developed and wholly-owned by us. There are no royalties or payments owed to third parties on our Skinfusion technology or any of our product candidates.

In addition to Twirla, we are developing a pipeline of other new transdermal contraceptive products, including AG200-ER, which is a regimen designed to allow a woman to extend the length of her cycle, AG200-SP, which is a regimen designed to provide a shortened hormone-free interval, and AG890, which is a progestin-only contraceptive patch intended for use by women who are unable or unwilling to take estrogen.

Our Corporate Strategy

Key elements of our strategy include:

- Further developing Twirla to obtain regulatory approval in major commercial markets;
- Commercializing Twirla in the United States through a focused sales force;
- Contracting with commercial partners to develop and commercialize Twirla outside of the United States;
- Leveraging our strong scientific team and extensive in-house expertise in drug development to pursue the development of additional women's health products; and
- Opportunistically seeking to in-license or acquire complementary women's health products.

Risks Associated with Our Business

Our business and our ability to implement our business strategy are subject to numerous risks, as more fully described in the section entitled "Risk Factors" immediately following this prospectus summary. You should read these risks before you invest in our common stock. We may be unable to implement our business strategy for many reasons, including those that are beyond our control. In particular, risks associated with our business include:

- We are highly dependent on the success of Twirla, which is still in clinical development, and we may not be able to successfully obtain regulatory or marketing approval for, or successfully commercialize, this product candidate.
- Clinical development is a lengthy and expensive process with an uncertain outcome, as evidenced by our receipt of a CRL to our NDA submission for Twirla. Our planned Phase 3 clinical trial for Twirla may not have favorable results, or Twirla may not receive regulatory approval.

- Our development and commercialization strategy for Twirla depends, in part, upon the FDA's prior findings of safety and efficacy of EE and LNG based on data not developed by us, bu upon which the FDA may rely in reviewing our NDA.
- We may experience delays in the commencement or completion of our clinical trials, which could result in increased costs to us and delay our ability to pursue regulatory approval and generate product revenues.
- If we are unable to establish sales and marketing capabilities, we may not be able to effectively market and sell Twirla, if approved, and generate product revenue.
- We have incurred significant operating losses since our inception and anticipate that we will continue to incur losses for the foreseeable future and we may never be profitable.
- Physicians, patients and payors may not adopt a new contraceptive patch due to concerns based upon the prior experience with the first contraceptive patch.
- Assuming approval of Twirla, we will require additional capital to commence commercialization. Raising additional funds through debt or equity financing may be dilutive or restrict ou operations and raising funds through collaborations or licenses may require us to relinquish rights to our product candidates.
- We have no manufacturing capacity and anticipate continued reliance on third party manufacturers, such as Corium, for the development and commercialization of our product candidate in accordance with manufacturing regulations.
- If we are unable to obtain or protect intellectual property rights related to our product candidates, we may not be able to compete effectively in our market.
- Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plans, could result in additional dilution of the percentag ownership of our stockholders and could cause our stock price to decline.

Corporate Information

We were incorporated under the laws of the State of Delaware in December 1997. Our principal executive offices are located at 101 Poor Farm Road, Princeton, New Jersey 08540, and our telephone number is (609) 683-1880. Our website address is www.agiletherapeutics.com. The information contained on our website is not incorporated by reference into this prospectus, and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase our common stock.

We have proprietary rights to a number of trademarks used in this prospectus which are important to our business, including Agile Therapeutics®, Twirla™ and Skinfusion®. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. All other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owner

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of relief from certain reporting requirements and other burdens that are otherwise applicable generally to public companies. These provisions include:

- only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- exemption from the auditor attestation requirement on the effectiveness of our internal controls over financial reporting;
- reduced disclosure about our executive compensation arrangements; and
- no requirements for non-binding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of these provisions for up to five years or such earlier time that we no longer qualify as an emerging growth company. We would cease to be an emerging growth company if we have more than $1.0 billion in annual revenue, have more than $700 million in market value of our capital stock held by non-affiliates or issue more than $1.0 billion of non-convertible debt over three-year period. We may choose to take advantage of some but not all of these reduced burdens. For example, we have taken advantage of the reduced reporting requirements with respect to disclosu regarding our executive compensation arrangements, have presented only two years of audited financial statements, have presented reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure and have taken the exemption from auditor attestation on the effectiveness of our internal controls over financial reporting. To the extent that we take advantage of these reduced burdens, the information that we provide stockholders may be different than you might obtain from other public companies in which you hold equity interests.

THE OFFERING

Common stock offered by us	shares
Common stock to be outstanding immediately after this offering	shares
Option to purchase additional shares	We have granted the underwriters an option for 30 days from the date of this prospectus to purchase up to additional shares of common stock.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ million, assuming the shares are offered at $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus. We anticipate that the majority of the net proceeds from this offering will be used for costs associated with the commencement and completion of an additional Phase 3 trial for Twirla. The remaining proceeds will be used for completion of the Corium equipment validation, development of our product pipeline, and for working capital and general corporate purposes which may include scheduled payments of principal and interest on our outstanding loan. See "Use of Proceeds" for additional information.
Risk factors	You should read the "Risk Factors" section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Proposed NASDAQ Market symbol	AGRX

The number of shares of our common stock that will be outstanding immediately after this offering includes 73,954 shares of common stock outstanding as of December 31, 2013 and shares of common stock issuable upon conversion of all currently outstanding shares of our convertible preferred stock upon the completion of this offering. This calculation excludes:

- any shares of common stock issuable upon exercise of the over-allotment option granted to the underwriters;
- 831,158 shares of common stock issuable upon exercise of stock options outstanding as of December 31, 2013 at a weighted average exercise price of $4.81 per share;
- 25,002 shares of common stock issuable upon the exercise of outstanding warrants as of December 31, 2013, at an exercise price of $15.00 per share; and

- 279,592 shares of common stock available for future grant under our 2008 Equity Incentive Plan as of December 31, 2013.

Unless otherwise indicated, all information in this prospectus assumes that the underwriters will not exercise the over-allotment option granted to them by us, and has been adjusted to reflect:

- an amendment and restatement of our charter and bylaws immediately prior to the effectiveness of this offering;
- the net exercise of all outstanding warrants to purchase shares of Series A-1 and Series A-2 convertible preferred stock assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus and the automatic conversion of such preferred shares into shares of common stock;
- the conversion, on a one-for-one basis, of all outstanding shares of convertible preferred stock into shares of common stock upon the closing of this offering;
- the conversion of all outstanding warrants to purchase shares of Series C convertible preferred stock into warrants to purchase 25,002 shares of common stock upon the closing of this offering; and
- a one-for- stock split of our common stock to be effected prior to the completion of this offering.

SUMMARY FINANCIAL DATA

The following table summarizes our financial data. We have derived the following statement of operations data for the years ended December 31, 2012 and 2013 and the period from inception to December 31, 2013 and the balance sheet data as of December 31, 2013 from our audited financial statements, included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	Years ended December 31,		Period from Inception (December 22, 1997) to December 31, 2013
	2012	2013	
	(In thousands, except share and per share data)		
Statement of operations data:			
Operating expenses:			
Research and development	$ 17,387	$ 9,154	$ 86,218
General and administrative	5,930	3,574	26,344
Total operating expenses	23,317	12,728	112,562
Loss from operations	(23,317)	(12,728)	(112,562)
Total other income (expense)	57	(1,592)	(265)
Loss before benefit for income taxes	(23,260)	(14,320)	(112,827)
Benefit from income taxes	—	—	673
Net loss	(23,260)	(14,320)	(112,154)
Beneficial conversion charge	(600)	—	(6,160)
Net loss available to common shareholders	$ (23,860)	$ (14,320)	$ (118,314)
Weighted average basic and diluted common shares outstanding	28,227	35,347	
Loss per common share — basic and diluted	$ (845.29)	$ (405.14)	

	As of December 31, 2013		
	Actual	Pro Forma(1)	Pro Forma as Adjusted(2)(3)
		(In thousands)	
Balance sheet data:			
Cash and cash equivalents	$ 2,120	$	$
Total assets	14,405		
Total current liabilities	6,844		
Long term debt, less current portion	9,770		
Convertible preferred stock	69,233		
Deficit accumulated during the development stage	(118,314)		
Total shareholders' equity (deficit)	(71,442)		

(1) Pro forma amounts reflect (i) the net exercise of all outstanding warrants to purchase shares of Series A-1 and Series A-2 convertible preferred stock into shares of preferred stock that will subsequently be converted into shares of common stock, assuming an initial public offering price of $ (the midpoint of the price range set forth on the cover page of this prospectus), (ii) the conversion of all outstanding warrants to purchase shares of Series C convertible preferred stock into warrants to purchase 25,002 shares of common stock, and (iii) the conversion of all our outstanding shares of convertible preferred stock into an aggregate of shares of our common stock.

(2) Pro forma as adjusted amounts reflect the pro forma conversion adjustments described in footnote (1) above, as well as the sale of shares of our common stock in thi offering at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) A $1.00 increase (decrease) in the assumed initial public offering price would increase (decrease) each of cash and cash equivalents, total assets and total stockholders' equit by $, assuming the number of shares offered by us as stated on the cover page of this prospectus remain unchanged and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, a one million share increase (decrease) in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, working capital, total assets and total stockholders' equity by $, assuming the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information contained in this prospectus before investing in our common stock. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or part of your investment. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently view to be immaterial may also materially adversely affect our business, financial condition or results of operations.

Risks Related to the Clinical Trial Process and Regulatory Approval for Our Product Candidates

We have not obtained regulatory approval for any of our product candidates in the United States or any other country.

We currently do not have any product candidates that have gained regulatory approval for sale in the United States or any other country, and we cannot guarantee that we will ever have marketable products. Our business is substantially dependent on our ability to complete the development of, obtain regulatory approval for and successfully commercialize product candidates in a timely manner. We cannot commercialize product candidates in the United States without first obtaining regulatory approval to market each product candidate from the U.S. Food and Drug Administration, or FDA; similarly, we cannot commercialize product candidates outside of the United States without obtaining regulatory approval from comparable foreign regulatory authorities.

We have previously conducted two Phase 3 clinical trials for Twirla, and we filed a new drug application, or NDA, with the FDA for Twirla in April 2012. The FDA issued a Complete Response Letter, or CRL, in February 2013, identifying certain issues, including a request for additional clinical data, quality information and chemistry, manufacturing and controls information, which must be addressed before approval can be granted. Accordingly, we are gathering the requested information and intend to conduct an additional Phase 3 clinical trial for Twirla, which is expected to commence enrollment during the third quarter of 2014. The FDA may also re-inspect our manufacturing partner's facilities before approval can be granted. Although we met with the FDA in October 2013 to discuss our new Phase 3 clinical trial and received substantial written comments from the FDA in February 2014, we have not sought and have not obtained agreement with the FDA on a special protocol assessment regarding the new Phase 3 trial. We cannot predict whether our additional Phase 3 clinical trial or any future trials we may conduct will be successful or whether regulators will agree with our conclusions regarding the results of these trials or any clinical trials we have conducted to date.

Before obtaining regulatory approvals for the commercial sale of any product candidate for a target indication, we must demonstrate in preclinical studies and well-controlled clinical trials and, with respect to approval in the United States, to the satisfaction of the FDA, that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate. In the United States, it is necessary to submit an NDA to obtain FDA approval. An NDA must include extensive preclinical and clinical data and supporting information to establish the product candidate's safety and efficacy for each desired indication, although we may partially rely on public information or the FDA's prior approval of

similar products. The NDA must also include significant information regarding the chemistry, manufacturing and controls for the product. The FDA may further inspect our manufacturing facilities to ensure that the facilities can manufacture our product candidates and our products, if and when approved, in compliance with the applicable regulatory requirements, as well as inspect our clinical trial sites to ensure that our studies are properly conducted. Obtaining approval of an NDA is a lengthy, expensive and uncertain process, and approval may not be obtained. Upon submission of an NDA, the FDA must make an initial determination that the application is sufficiently complete to accept the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the FDA, or ultimately be approved. If the application is not accepted for review or approval, the FDA may require that we conduct additional clinical or preclinical trials, or take other actions before it will reconsider our application. If the FDA requires additional studies or data, we would incur increased costs and delays in the marketing approval process, which may require us to expend more resources than we have available. In addition, the FDA may not consider any additional information to be complete or sufficient to support approval.

Regulatory authorities outside of the United States, such as in Europe and Japan and in emerging markets, also have requirements for approval of drugs for commercial sale with which we must comply prior to marketing in those areas. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our product candidates. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and obtaining regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. However, the failure to obtain regulatory approval in one jurisdiction could have a negative impact on our ability to obtain approval in a different jurisdiction. Approval processes vary among countries and can involve additional product candidate testing and validation and additional administrative review periods. Seeking foreign regulatory approval could require additional non-clinical studies or clinical trials, which could be costly and time consuming. Foreign regulatory approval may include all of the risks associated with obtaining FDA approval. For all of these reasons, we may not obtain foreign regulatory approvals on a timely basis, if at all.

The process to develop, obtain regulatory approval for and commercialize product candidates is long, complex and costly both inside and outside of the United States, and approval is never guaranteed. Even if our product candidates were to successfully obtain approval from regulatory authorities, any such approval might significantly limit the approved indications for use, including more limited patient populations, require that precautions, contraindications or warnings be included on the product labeling, including black box warnings, require expensive and time-consuming post-approval clinical studies, risk evaluation and mitigation strategies, or REMS, or surveillance as conditions of approval, or, through the product label, the approval may limit the claims that we may make, which may impede the successful commercialization of our product candidates. Following any approval for commercial sale of our product candidates, certain changes to the product, such as changes in manufacturing processes and additional labeling claims, as well as new safety information, will be subject to additional FDA notification, or review and approval. Also, regulatory approval for any of our product candidates may be withdrawn. If we are unable to obtain regulatory approval for our product candidates in one or more jurisdictions, or any approval contains significant limitations, our ability to market to our full target market will be

reduced and our ability to realize the full market potential of our product candidates will be harmed. Furthermore, we may not be able to obtain sufficient funding or generate sufficient revenue and cash flows to continue or complete the development of any of our current or future product candidates.

Failure can occur at any stage of clinical development. If the clinical trials for Twirla or any of our current or future product candidates are unsuccessful, we could be required to abandon development.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. A failure of one or more clinical trials can occur at any stage of testing for a variety of reasons. The outcome of preclinical testing and early clinical trials may not be predictive of the outcome of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. For example, adverse events may occur or other risks may be discovered in our planned Phase 3 clinical trial for Twirla that would cause us to suspend or terminate the clinical trial. In some instances, there can be significant variability in safety or efficacy results between different trials of the same product candidate due to numerous factors, including changes in or adherence to trial protocols, differences in size and type of the subject populations and the rates of dropout among clinical trial subjects. Our future clinical trial results therefore may not demonstrate safety and efficacy sufficient to obtain regulatory approval for our product candidates. For example, we received a CRL from the FDA with respect to an NDA previously filed for Twirla, in which the FDA requested, among other items, additional Phase 3 clinical data to support the application. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Our future clinical trials may not be successful.

Flaws in the design of a clinical trial may not become apparent until the clinical trial is well-advanced. We have limited experience in designing contraceptive clinical trials and may be unable to design and execute clinical trials to support regulatory approval of our product candidates. In addition, clinical trials often reveal that it is not practical or feasible to continue development efforts for a product candidate.

We may voluntarily suspend or terminate our clinical trials if at any time we believe that they present an unacceptable risk to subjects. Furthermore, regulatory agencies, Institutional Review Boards, or IRBs, or data safety monitoring boards may at any time order the temporary or permanent discontinuation of our clinical trials or request that we cease using certain investigators in the clinical trials if such regulatory agencies or boards believe that the clinical trials are not being conducted in accordance with applicable regulatory requirements or that they present an unacceptable safety risk to subjects. Since our inception, we have not voluntarily or involuntarily suspended or terminated a clinical trial due to unacceptable safety risks to subjects.

If the results of the clinical trials for our current product candidates or clinical trials for any future product candidates do not achieve the primary efficacy endpoints or demonstrate unexpected safety issues, the prospects for approval of our product candidates will be materially adversely affected. For example, in the CRL that we received from the FDA in connection with the NDA previously filed for Twirla, one of the FDA's comments was that acceptable evidence of efficacy was not demonstrated, as measured by Pearl Index, or PI. Specifically, in our two completed Phase 3 trials, the PI was higher than that seen in registration trials for previously approved hormonal contraceptives. Most experts seem to agree that inconsistent or incorrect use is

a major contributor to the increased PI seen in more recent contraceptive trials. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials have failed to achieve similar results in later clinical trials, including longer-term trials, or have failed to obtain regulatory approval of their product candidates. Many compounds that initially showed promise in clinical trials or earlier preclinical studies have later been found to cause undesirable or unexpected adverse effects that have prevented further development of the compound. Our planned Phase 3 trial for our primary product candidate, Twirla, may not produce the results that we expect, or the FDA may interpret the data differently than we do.

In addition to the circumstances noted above, we may experience numerous unforeseen events that could cause our clinical trials to be delayed, suspended or terminated, or which could delay or prevent our ability to receive regulatory approval for or commercialize our product candidates, including:

- Clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or implement a clinical hold;
- The number of subjects required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate. For instance, we experienced a high withdrawal rate in our two completed Phase 3 clinical trials for Twirla;
- Our third party contract research organization, or CRO, or study sites may fail to comply with regulatory requirements or the clinical trial protocol, or meet their contractual obligations to us in a timely manner, or at all. For instance, investigator compliance with study procedures was an issue that we encountered in our two completed Phase 3 clinical trials for Twirla;
- Regulators or IRBs may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site or amend a trial protocol;
- We may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites and our CRO;
- We may have delays in adding new investigators or clinical trial sites, or we may experience a withdrawal of clinical trial sites;
- We may elect or be required to suspend or terminate clinical trials of our product candidates based on a finding that the subjects are being exposed to health risks, or due to other reasons;
- The cost of clinical trials for our product candidates may be greater than we anticipate;
- The supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- There may be changes in government regulations or administrative actions;

- Our product candidates may have undesirable adverse effects or other unexpected characteristics;
- We may not be able to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- We may not be able to demonstrate that a product candidate provides an advantage over current standards of care or future competitive therapies in development; and
- There may be changes in the approval policies or regulations that render our data insufficient for approval.

If we elect or are required to suspend or terminate a clinical trial for any of our product candidates, or our product candidate development is otherwise delayed, our development costs may increase, our commercial prospects will be adversely impacted, any periods during which we may have the exclusive right to commercialize our product candidates may be shortened and our ability to generate product revenues may be delayed or eliminated.

We expect to conduct additional clinical trials in the future for Twirla and our other product candidates. Subject enrollment, which is a significant factor in the timing of clinical trials, is affected by a variety of factors, including the following:

- Size and nature of the subject population;
- Proximity of subjects to clinical sites and the number of sites;
- Effectiveness of publicity created by clinical trial sites regarding the trial;
- Eligibility and exclusion criteria for the trial;
- Design of the clinical trial, including factors such as frequency of required assessments, length of the study and ongoing monitoring requirements;
- Competing clinical trials;
- Clinician and subject perceptions as to the potential advantages or disadvantages of the product candidate being studied in relation to other available therapies, including any products that may be approved for the indications we are investigating;
- Subjects' ability to comply with the specific instructions related to the trial protocol, proper documentation and use of the drug product. For instance, in our Phase 3 clinical trials, there was a high rate of subject noncompliance;
- Inability to obtain or maintain subject informed consents;
- Risk that enrolled subjects will drop out before completion; and
- Subject's relationship with her partner.

Furthermore, we plan to rely on a CRO and clinical trial sites to ensure the proper and timely conduct of our clinical trials, and while we may have agreements governing their committed activities, we have limited influence over their actual performance. Additionally, the CRO and clinical trial sites may have business, regulatory, personnel or other issues that keep us from satisfactorily completing our clinical trials. Any delays or unanticipated problems during clinical trials, such as additional monitoring of clinical trial sites, slower than anticipated enrollment in our

clinical trials or subjects dropping out of or being excluded from participation in our clinical trials at a higher rate than we anticipate, could increase our costs, slow down our product development and approval process and harm our business.

Regulatory approval may be substantially delayed or may not be obtained for one or all of our product candidates if regulatory authorities require additional time or studies to assess the safety and efficacy of our product candidates.

We may be unable to initiate or complete development of our product candidates on schedule, if at all. The timing for the completion of the studies for our product candidates other than Twirla will require funding beyond the proceeds of this offering. In addition, if regulatory authorities require additional time or studies to assess the safety or efficacy of Twirla, we may not have or be able to obtain adequate funding to complete the necessary steps for approval for any or all of our product candidates. Additional delays may result if the FDA, an FDA Advisory Committee or other regulatory authority recommends non-approval or restrictions on approval. Studies required to demonstrate the safety and efficacy of our product candidates are time consuming, expensive and together take several years or more to complete. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any product candidates we may seek to develop in the future will ever obtain regulatory approval. Delays in regulatory approvals or rejections of applications for regulatory approval in the United States, Europe, Japan or other markets may result from many factors, including:

- Our inability to obtain sufficient funds required for a clinical trial;
- Regulatory requests for additional analyses, reports, data, non-clinical and preclinical studies and clinical trials;
- Regulatory questions regarding interpretations of data and results and the emergence of new information regarding our product candidates or other products;
- Clinical holds, other regulatory objections to commencing or continuing a clinical trial or the inability to obtain regulatory approval to commence a clinical trial in countries that require such approvals;
- Failure to reach agreement with the FDA or non-U.S. regulators regarding the scope or design of our clinical trials;
- Our inability to enroll or retain a sufficient number of subjects who meet the inclusion and exclusion criteria in our clinical trials;
- Our inability to conduct our clinical trials in accordance with regulatory requirements or our clinical trial protocols;
- Unfavorable or inconclusive results of clinical trials and supportive non-clinical studies, including unfavorable results regarding safety or efficacy of our product candidates during clinical trials;
- Failure to meet the level of statistical significance required for approval;

- Any determination that a clinical trial presents unacceptable health risks to subjects;
- Lack of adequate funding to commence or continue our clinical trials due to unforeseen costs or other business decisions;
- Our inability to reach agreements on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- Our inability to identify and maintain a sufficient number of sites, many of which may already be engaged in other clinical trial programs, including other clinical trials for the same indications targeted by our product candidates;
- Our inability to obtain approval from IRBs to conduct clinical trials at their respective sites;
- Our inability to timely obtain from our third party manufacturer sufficient quantities or quality of the product candidate or other materials required for a clinical trial;
- We may be unable to obtain approval for the manufacturing processes or facilities of the third party manufacturer with whom we contract for clinical and commercial supplies;
- We may have insufficient funds to pay the significant user fees required by the FDA upon the filing of an NDA; and
- We may have difficulty in maintaining contact with subjects, resulting in incomplete data.

The lengthy and unpredictable approval process, as well as the unpredictability of future clinical trial results, may result in our failure to obtain regulatory approval to market Twirla or any of our other product candidates, which would significantly harm our business, results of operations and prospects.

Changes in regulatory requirements and guidance may also occur and we may need to amend clinical trial protocols submitted to applicable regulatory authorities to reflect these changes. Amendments may require us to resubmit clinical trial protocols to Institutional Review Boards for re-examination, which may impact the costs, timing or successful completion of a clinical trial.

If we are required to conduct additional clinical trials or other studies with respect to any of our product candidates beyond those that we contemplated, if we are unable to successfully complete our clinical trials or other studies or if the results of these studies are not positive or are only modestly positive, we may be delayed in obtaining regulatory approval for our product candidates, we may not be able to obtain regulatory approval at all or we may obtain approval for indications that are not as broad as intended. For example, the FDA issued a CRL in response to our NDA for Twirla requesting, among other items, an additional Phase 3 clinical study, which will delay our ability to obtain regulatory approval for that product candidate. Our product development costs will also increase if we experience delays in testing or approvals and we may not have sufficient funding to complete the testing and approval process for any of our product candidates. Significant clinical trial delays could allow our competitors to bring products to market before we do and impair our ability to commercialize our products if and when approved. If any of this occurs, our business will be materially harmed.

Our product candidates may have undesirable adverse effects, which may delay or prevent regulatory approval or, if approval is received, require our products to be taken off the market, require them to include safety warnings or otherwise limit their sales.

Unforeseen adverse effects from any of our product candidates could arise either during clinical development or, if approved, after the approved product has been marketed. In the combined safety population of our completed Phase 3 trials, there were a total of 22 serious adverse events, or SAEs, of which 16 occurred in the Twirla cohort, which had approximately 2.3 times as many subjects as the oral contraceptive comparator cohort. Three of the 16 SAEs in the Twirla cohort (0.2% of the overall Twirla safety population) were considered to be possibly related to Twirla, and included one drug overdose with Benadryl, one case of uncontrollable nausea and vomiting and one instance of deep vein thrombosis. In addition to the SAEs described above, some subjects taking Twirla experienced non-serious adverse events, such as nausea, headache, application site irritation and breast tenderness. Subjects receiving the oral contraceptive comparator also experienced non-serious adverse events such as nausea, headache and breast tenderness, though at different rates.

Any undesirable adverse effects that may be caused by our product candidates could interrupt, delay or halt clinical trials and could result in more restrictive labeling or the denial of regulatory approval by the FDA or other regulatory authorities for any or all targeted indications, and in turn prevent us from commercializing our product candidates and generating revenues from their sale. Adverse effects could also impact subject recruitment or the ability or willingness of enrolled subjects to complete the trial, or result in product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

In addition, if any of our product candidates receive regulatory approval and we or others later identify undesirable adverse effects caused by the product, we could face one or more of the following consequences:

- We may suspend marketing of, withdraw or recall the product;
- Regulatory authorities may require the addition of labeling statements, such as a black box warning or a contraindication, or other labeling changes;
- Regulatory authorities may withdraw their approval of the product;
- Regulatory authorities may seize the product or seek an injunction against its manufacture or distribution;
- The FDA or other regulatory authorities may issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings about the product;
- The FDA may require the establishment or modification of a REMS or a comparable foreign authority may require the establishment or modification of a similar strategy that may, for instance, require us to issue a medication guide outlining the risks of such adverse effects for distribution to patients, or restrict distribution of the product, if and when approved, and impose burdensome implementation requirements on us;
- We may be required to conduct additional trials;

- We may be required to change the way that the product is administered, conduct additional clinical trials or recall the product;
- We may be subject to litigation or product liability claims, fines, injunctions or criminal penalties;
- Regulatory authorities may impose additional restrictions on marketing and distribution of the product; and
- Our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected product or could substantially increase the costs and expenses of commercializing such product, which in turn could delay or prevent us from generating significant revenues from its sale.

Our development and commercialization strategy for Twirla depends, in part, upon the FDA's prior findings regarding the safety and efficacy of Ethinyl Estradiol and Levonorgestrel based on data not developed by us, but upon which the FDA may rely in reviewing our NDA.

The Hatch-Waxman Act added Section 505(b)(2) to the Federal Food, Drug and Cosmetic Act, or FDCA. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from clinical trials not conducted by or for the applicant and for which the applicant has not obtained a right of reference. The FDA interprets Section 505(b)(2) of the FDCA, for purposes of approving an NDA, to permit the applicant to rely, in part, upon published literature or the FDA's previous findings of safety and efficacy for an approved product. The FDA may also require companies to perform additional clinical trials or measurements to support any deviation from the previously approved product. The FDA may then approve the new product candidate for all or some of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) applicant. The label, however, may require all or some of the limitations, contraindications, warnings or precautions included in the reference product's label, including a black box warning, or may require additional limitations, contraindications, warnings or precautions. We have submitted an NDA for Twirla under Section 505(b)(2) and as such the NDA relied, in part, on the FDA's previous findings of safety and efficacy for ethinyl estradiol, or EE, and levonorgestrel, or LNG. We received a CRL in response to our Section 505(b)(2) NDA for Twirla, in which the FDA requested, among other things, that we conduct an additional Phase 3 clinical trial. Even though we may be able to take advantage of Section 505(b)(2) to support potential U.S. approval for Twirla, the FDA may require us to perform additional clinical trials or measurements to support approval over and above the clinical trials that we have already completed and the additional clinical trial we currently plan to commence during the third quarter of 2014. In addition, notwithstanding the approval of many products by the FDA pursuant to Section 505(b)(2), over the last few years some pharmaceutical companies and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA changes its interpretation of Section 505(b)(2), or if the FDA's interpretation is successfully challenged in court, this could delay or even prevent the FDA from approving any Section 505(b)(2) NDAs that we submit. Such a result could require us to conduct additional testing and costly clinical trials, which could substantially delay or prevent the approval and launch of our product candidates, including Twirla.

Risks Related to Our Financial Position and Need for Capital

We have never been profitable. Currently, we have no products approved for commercial sale, no source of revenue and we may never become profitable.

We have never been profitable and do not expect to be profitable in the foreseeable future. We have no products approved for commercial sale and to date have not generated any revenue from product sales. Our ability to generate revenue and become profitable depends upon our ability to successfully complete the development of and obtain the necessary regulatory approvals for our product candidates. We have been engaged in developing Twirla and our Skinfusion technology since our inception. To date, we have not generated any revenue from Twirla, and we may never be able to obtain regulatory approval for the marketing of Twirla. Further, even if we are able to gain approval for and commercialize Twirla or any other product candidate, there can be no assurance that we will generate significant revenues or ever achieve profitability. Our ability to generate product revenue depends on a number of factors, including our ability to:

- Successfully complete clinical development of, and receive regulatory approval for, our product candidates;
- Set an acceptable price for our products, if approved, and obtain adequate coverage and reimbursement from third party payors;
- Obtain commercial quantities of our products, if approved, at acceptable cost levels; and
- Successfully market and sell our products, if approved, in the United States and abroad.

In addition, because of the numerous risks and uncertainties associated with product candidate development, we are unable to predict the timing or amount of increased expenses, or when, or if, we will be able to achieve or maintain profitability. In addition, our expenses could increase beyond our current expectations if we are required by the FDA or other regulatory authorities to perform studies in addition to those that we currently anticipate. Even if our product candidates are approved for commercial sale, we anticipate incurring significant costs associated with the commercial launch of these products.

Our ability to become and remain profitable depends on our ability to generate revenue. Even if we are able to generate revenues from the sale of our products, if approved, we may not become profitable and may need to obtain additional funding to continue operations. If we fail to become profitable or obtain additional funding, or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce our operations. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, expand our business or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We have incurred operating losses in each year since our inception and expect to continue to incur substantial losses for the foreseeable future.

We have incurred losses in each year since our inception in December 1997. Our net losses were $23.9 million for the year ended December 31, 2012 and $14.3 million for the year ended

December 31, 2013. As of December 31, 2013, we had a deficit accumulated during the development stage of $118.3 million.

Specialty pharmaceutical product development is a speculative undertaking, involves a substantial degree of risk and is a capital-intensive business. We expect to incur expenses without corresponding revenues until we are able to obtain regulatory approval and subsequently sell Twirla in significant quantities, which may not happen. We have devoted most of our financial resources to research and development, including our non-clinical development activities and clinical trials. We expect to incur increased expenses as we commence our additional Phase 3 clinical trial for Twirla, respond to the CRL and supplement our NDA with the results of the trial, advance our other product candidates and expand our research and development programs. To date, we have financed our operations primarily through the sale of convertible preferred stock and convertible debt. Our product candidates will require the completion of regulatory review, significant marketing efforts and substantial investment before they can provide us with any revenue.

Assuming we obtain FDA approval, we expect that our expenses will increase as we prepare for the commercial launch of Twirla. As a result, we expect to continue to incur substantial losses for the foreseeable future, and these losses may increase. We are uncertain when or if we will be able to achieve or sustain profitability. If we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Failure to become and remain profitable would impair our ability to sustain operations and adversely affect the price of our common stock and our ability to raise capital.

Our recurring losses from operations have raised substantial doubt regarding our ability to continue as a going concern.

Our recurring losses from operations raise substantial doubt about our ability to continue as a going concern, and as a result, our independent registered public accounting firm included an explanatory paragraph in its report on our financial statements as of and for the year ended December 31, 2013 with respect to this uncertainty. This going concern opinion could materially limit our ability to raise additional funds through the issuance of new debt or equity securities or otherwise. Future reports on our financial statements may include an explanatory paragraph with respect to our ability to continue as a going concern. We have incurred significant losses since our inception and have never been profitable, and it is possible we will never achieve profitability. We have devoted a majority of our resources to developing Twirla, but this product candidate cannot be marketed until regulatory approvals have been obtained. Meaningful revenues will likely not be available until and unless Twirla or any of our current or future product candidates are approved by the FDA or comparable regulatory agencies in other countries and successfully marketed, either by us or a partner, an outcome which may not occur. If we successfully complete this offering, based upon our currently-expected level of operating expenditures, we expect to be able to fund our operations through the first quarter of 2016. This period could be shortened if there are any significant increases in planned or actual spending on development programs or more rapid progress of development programs than anticipated. There is no assurance that other financing will be available when needed to allow us to continue as a going concern. The perception that we may not be able to continue as a going concern may cause others to choose not to deal with us due to concerns about our ability to meet our contractual obligations.

If we fail to obtain the capital necessary to fund our operations, we may be unable to obtain regulatory approval of or commercialize Twirla in the United States and we could be forced to share our rights to commercialize Twirla with third parties on terms that may not be favorable to us.

We need large amounts of capital to support our development and commercialization efforts for Twirla. If we are unable to secure sufficient capital to fund our operations, we will not be able to continue these efforts and we might have to enter into strategic collaborations that could require us to share commercial rights to Twirla with third parties in ways that we currently do not intend or on terms that may not be favorable to us. Based on our current operating plans, and after giving effect to the receipt of the estimated net proceeds of this offering, we believe that our cash, cash equivalents and marketable securities will be sufficient to meet our anticipated operating needs through the first quarter of 2016. Our cash and cash equivalents were $2.1 million as of December 31, 2013. We anticipate requiring additional capital to fund operating needs thereafter. We may also need to raise additional funds sooner if we choose to expand more rapidly than we presently anticipate.

Our operating activities may be restricted as a result of covenants related to the outstanding indebtedness under our loan agreement and we may be required to repay the outstanding indebtedness in an event of default, which could have a materially adverse effect on our business.

As of December 31, 2013, we had $15 million of principal indebtedness outstanding under our loan and security agreement with Oxford Finance LLC, or Oxford. The loan agreement subjects us to various customary covenants, including requirements as to financial reporting and insurance, and restrictions on our ability to dispose of our business or property, change our line of business, liquidate or dissolve, enter into any change in control transaction, merge or consolidate with any other entity or acquire all or substantially all the capital stock or property of another entity, incur additional indebtedness, incur certain types of liens on our property, including our intellectual property, pay any dividends or other distributions on our capital stock other than dividends payable solely in capital stock or redeem our capital stock. Our business may be adversely affected by these restrictions on our ability to operate our business.

The term loan is secured by substantially all of our property other than our intellectual property. We are currently required to make interest-only payments through April 2014. Based upon certain conditions, the interest-only period may be extended through January 2015. However, we cannot assure you that we will fulfill these conditions, and therefore we may be required to make payments of both principal and interest on the term loan beginning on May 1, 2014. The term loan bears interest at a fixed rate of 9.2% per annum and matures on July 1, 2017, assuming the successful completion of this offering.

Additionally, we may be required to repay the outstanding indebtedness under the term loan if an event of default occurs under the loan agreement. Under the loan agreement, an event of default will occur if, among other things, we fail to make payments under the loan agreement; we breach any of our covenants under the loan agreement, subject to specified cure periods with respect to certain breaches; Oxford determines in good faith that we are unable to satisfy our obligations under the loan agreement as they become due and that our principal investors do not intend to fund amounts necessary to satisfy such obligations; we or our assets become subject to certain legal proceedings, such as bankruptcy proceedings; we are unable to pay our debts as they become due; or we default on contracts with third parties which would permit Oxford to

accelerate the maturity of such indebtedness or that could have a material adverse effect on us. We may not have enough available cash or be able to raise additional funds through equity or debt financings to repay such indebtedness at the time any such event of default occurs. In that case, we may be required to delay, limit, reduce or terminate our product candidate development or commercialization efforts or grant to others rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. Oxford could also exercise its rights as collateral agent to take possession and dispose of the collateral securing the loan for its benefit, which collateral includes all of our property other than our intellectual property. Our business, financial condition and results of operations could be materially adversely affected as a result of any of these events.

We will need to obtain additional financing to fund our operations and, if we are unable to obtain such financing, we may be unable to complete the development and commercialization of our product candidates.

Our operations have consumed substantial amounts of cash since inception. From our inception to December 31, 2013, we have cumulative net cash flows used by operating activities of $106.8 million. We will need to obtain additional financing to fund our future operations, including completing the development and commercialization of our product candidates. We will need to obtain additional financing to conduct additional trials for the approval of our product candidates if requested by regulatory authorities, and to complete the development of any additional product candidates we might acquire. Moreover, our fixed expenses such as rent, interest expense and other contractual commitments are substantial and are expected to increase in the future.

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

- Progress, timing, scope and costs of our clinical trials, including the ability to timely enroll subjects in our planned and potential future clinical trials;
- Time and cost necessary to obtain regulatory approvals that may be required by regulatory authorities;
- Our ability to successfully commercialize our product candidates, if approved;
- Amount of sales and other revenues from product candidates that we may commercialize, if any, including the selling prices for such potential products and the availability of adequate third-party coverage and reimbursement;
- Sales and marketing costs associated with commercializing our products, if approved, including the cost and timing of expanding our marketing and sales capabilities;
- Terms and timing of any potential future collaborations, licensing or other arrangements that we may establish;
- Cash requirements of any future acquisitions or the development of other product candidates;
- Costs of operating as a public company;
- Time and cost necessary to respond to technological and market developments; and
- Costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

Until we can generate a sufficient amount of revenue, we may finance future cash needs through public or private equity offerings, license agreements, debt financings, collaborations, strategic alliances and marketing or distribution arrangements. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available, we may be required to delay or reduce the scope of or eliminate one or more of our research or development programs or our commercialization efforts. We may seek to access the public or private capital markets whenever conditions are favorable, even if we do not have an immediate need for additional capital at that time. In addition, if we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us.

We believe that the estimated net proceeds from this offering, together with existing cash, cash equivalents and marketable securities will be sufficient to fund our projected operating requirements through the first quarter of 2016. We expect that these funds will not be sufficient to enable us to complete all necessary development of our product candidates other than Twirla or commercially launch Twirla or our other current product candidates. Accordingly, we will be required to obtain further funding through other public or private offerings, debt financing, collaboration or licensing arrangements or other sources. Adequate additional funding may not be available to us on acceptable terms, or at all. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts. Our forecast of the period of time through which our financial resources will be adequate to support our operating requirements is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors, including the factors discussed elsewhere in this "Risk Factors" section. We have based this estimate on a number of assumptions that may prove to be wrong, and changing circumstances beyond our control may cause us to consume capital more rapidly than we currently anticipate. Our inability to obtain additional funding when we need it could seriously harm our business.

Raising additional capital may cause dilution to our existing stockholders or restrict our operations.

We may seek additional capital through a combination of private and public equity offerings, debt financings and strategic collaborations. The sale of additional equity or convertible debt securities could result in the issuance of additional shares of our capital stock and could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing research and development efforts. This could harm our business, operating results and financial condition and cause the price of our common stock to fall.

We are a development stage company which may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

We are a development stage company. We were incorporated and commenced active operations in 1997. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital and developing our product candidates. We have not yet demonstrated our ability to successfully complete a Phase 3 registration trial for, obtain regulatory approval of or manufacture on a commercial scale any of our product candidates, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as a development stage company, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition from a company with a focus on product candidate development to a company capable of supporting commercial activities. We may not be successful in such a transition.

Risks Relating to the Commercialization of Our Product Candidates

We are substantially dependent on the commercial success of Twirla.

Assuming FDA approval, Twirla will be the first product that we commercialize. Our ability to generate revenues and become profitable will depend in large part on the commercial success of Twirla. If Twirla or any other product that we commercialize in the future do not gain an adequate level of acceptance among physicians, patients and third parties, we may not generate significant product revenues or become profitable. Market acceptance of Twirla, and any other product that we commercialize, by physicians, patients and third party payors will depend on a number of factors, some of which are beyond our control, including:

- Efficacy, safety and other potential advantages of our product candidates in relation to alternative treatments;
- Relative convenience and ease of administration of our product candidates;
- Availability of adequate coverage or reimbursement of our product candidates by third parties, such as insurance companies and other payors, and by government healthcare programs, including Medicare, Medicaid and state health insurance exchanges;
- Prevalence and severity of adverse events associated with our product candidates;
- Cost of our product candidates in relation to alternative treatments, including generic products;
- Extent and strength of our third-party manufacturer and supplier support;
- Extent and strength of our marketing and distribution support;
- Limitations or warnings contained in our product's FDA approved labeling; and
- Distribution and use restrictions imposed by the FDA or to which we agree as part of a mandatory REMS or voluntary risk management plan.

For example, if Twirla is approved by the FDA, physicians and patients may not be immediately receptive to a transdermal contraceptive system, as opposed to a pill or any other method, and may be slow to adopt it as an accepted treatment for the prevention of pregnancy. In addition, even though we believe Twirla has significant advantages over other treatment options, because no head-to-head trials comparing Twirla to the competing approved patch product have been conducted, the prescribing information approved by the FDA may not contain claims that Twirla is safer or more effective than the currently approved patch product, or other claims that may be necessary for successful marketing of Twirla. Accordingly, we will not be permitted to promote Twirla, if approved, for any comparative advantages to the currently marketed contraceptive patch. The availability of numerous inexpensive generic forms of contraceptive products may also limit acceptance of Twirla among physicians, patients and third party payors. If Twirla does not achieve an adequate level of acceptance among physicians, patients and third party payors, we may not generate significant product revenues or become profitable.

It will be difficult for us to profitably sell Twirla, if approved, or any other product that we obtain marketing approval for in the future if coverage and reimbursement for such product is limited.

Market acceptance and sales of Twirla, if approved, or any other product that we obtain marketing approval for in the future, will depend on coverage and reimbursement policies and may be affected by future healthcare reform measures. Government authorities and third party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels for approved medications. A primary trend in the U.S. healthcare industry is cost containment. Government authorities and these third party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. We cannot be sure that coverage or reimbursement will be available for Twirla, if approved, or any other product that we obtain marketing approval for in the future and, if coverage is available, we cannot be sure of the level of reimbursement. Reimbursement may impact the demand for, or the price of, Twirla, if approved, and any other products that we obtain marketing approval for and commercialize. Numerous generic products may be available at lower prices than branded therapy products, such as Twirla, which may also reduce the likelihood and level of reimbursement for Twirla. If coverage and reimbursement are not available or are available only at limited levels, we may not be able to successfully commercialize Twirla, if approved, or any other product for which we obtain marketing approval.

If we are unable to establish effective marketing and sales capabilities for Twirla, if approved, or enter into agreements with third parties to market and sell Twirla, we may be unable to generate product revenues.

We are seeking approval for Twirla from the FDA for a contraception indication. Assuming successful completion of our additional Phase 3 trial by the end of 2015, we plan to submit a complete response to the FDA that will include additional clinical trial results to our NDA in early 2016. Assuming a six-month review by the FDA, we could receive a decision late in 2016. We intend to launch Twirla as soon as possible following receipt of approval from the FDA, if granted. However, we cannot assure you that the FDA will approve Twirla or that the FDA's timeline for review will be within six months. Following our original submission of the NDA, we received a CRL from the FDA requesting, among other things, additional Phase 3 data. Assuming timely and successful completion of this additional Phase 3 study, and other items, and ultimate FDA

approval, we expect to make Twirla available by prescription in the United States in the fourth quarter of 2016.

At present, we have no sales personnel and a limited number of marketing personnel. We do not intend to begin to hire additional marketing personnel until shortly prior to submission of our revised NDA or establish our own sales force or engage a contract sales organization in the United States until shortly prior to FDA approval of Twirla. At the time of our anticipated commercial launch of Twirla, assuming regulatory approval by the FDA, our sales and marketing team will have worked together for only a limited period of time. We cannot guarantee that we will be successful in marketing Twirla in the United States.

We may not be able to establish our own sales force or a contract sales force in a cost-effective manner or realize a positive return on this investment. In addition, we will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain sales and marketing personnel. Factors that may inhibit our efforts to commercialize Twirla, if approved, in the United States without strategic partners or licensees include:

- Our inability to timely recruit and retain adequate numbers of effective sales and marketing personnel;
- The inability of sales personnel to obtain access to or persuade adequate numbers of physicians to prescribe Twirla;
- The lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines;
- The costs associated with training sales and marketing personnel on legal and regulatory compliance matters and monitoring their actions;
- Liability for sales or marketing personnel who fail to comply with the applicable legal and regulatory requirements; and
- Unforeseen costs and expenses associated with creating an independent sales and marketing organization or engaging a contract sales organization.

If we are not successful in recruiting sales and marketing personnel or in building a sales and marketing infrastructure, or if we do not successfully enter into appropriate collaboration arrangements, we will have difficulty commercializing Twirla, which would adversely affect our business, operating results and financial condition.

If we intend to commercialize Twirla outside the United States, we will likely enter into collaboration agreements with pharmaceutical partners, and we may have limited or no control over the sales, marketing and distribution activities of these third parties. Our future revenues may depend on the success of the efforts of these third parties.

To the extent that we rely on, or partner with, third parties to commercialize Twirla, if approved, or any other product candidate for which we obtain marketing approval in the future, we may receive less revenue than if we commercialized these products ourselves. In addition, we would have less control over the sales efforts of any other third parties involved in our commercialization efforts. In the event that we are unable to partner with a third party marketing

and sales organization, our ability to generate product revenues may be limited in the United States, internationally or both.

A variety of risks associated with potential international business relationships could materially adversely affect our business.

We may enter into agreements with third parties for the development and commercialization of Twirla and possibly other product candidates in international markets. If we do so, we would be subject to additional risks related to entering into international business relationships, including:

- Differing regulatory requirements in foreign countries including, among others, requirements relating to drug approvals, reimbursement and sales and marketing practices;
- Potentially reduced protection for intellectual property rights;
- The potential for so-called parallel importing, which is when a local seller, faced with higher local prices, opts to import goods from a foreign market with lower prices, rather than buying them locally;
- Unexpected changes in tariffs, trade barriers and regulatory requirements;
- Economic weakness, including inflation, or political instability in foreign economies and markets;
- Compliance with tax, employment, immigration and labor laws for employees traveling and working abroad;
- Foreign taxes;
- Foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other risks incident to doing business in another country;
- Workforce uncertainty in countries where labor unrest is more common than in the United States;
- Production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- Business interruptions resulting from geo-political actions, including war and terrorism, or natural disasters, including earthquakes, volcanoes, typhoons, floods, tsunamis, hurricanes and fires.

These and other risks may materially adversely affect our ability to develop and commercialize products in international markets and may harm our business.

Even if we receive regulatory approval for Twirla, we still may not be able to successfully commercialize it and the revenue that we generate from its sales, if any, may be limited.

The commercial success of Twirla in any indication for which we obtain marketing approval from the FDA or other regulatory authorities will depend upon the contraceptive market landscape as well as acceptance and uptake of Twirla by physicians, patients and third-party payors.

Risks related to the contraceptive market landscape include:

- The prescription contraceptive market could experience a decrease in growth or negative growth if fewer women choose to use hormonal contraception;
- The perceived safety of hormonal contraceptives could be negatively affected by media reports of adverse effects and advertisements for class action lawsuits due to adverse effects;
- Price pressures from third party payors, including managed care organizations and government-sponsored health systems, could limit our revenue;
- The proportion of the contraceptive market comprised of generic products could continue to increase, making introduction of a branded contraceptive difficult and expensive;
- Competition in the contraceptive market could increase, with the introduction of new contraceptives, including the potential of a new generic or branded competitive contraceptive patch;
- Competition from generic contraceptive products could increase as additional generic contraceptives receive FDA approval;
- Implementation of the Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act of 2010 or, collectively, the Affordable Care Act, or ACA, and its effect on pharmaceutical coverage, reimbursement and pricing could limit our revenue; and
- Access to the prescriber universe, particularly obstetrics and gynecology physicians, could be limited, decreasing our ability to promote Twirla efficiently.

The degree of acceptance and uptake of Twirla, if approved, by physicians, patients and third-party payors will depend upon a number of factors, including:

- The level of contraceptive effectiveness of Twirla demonstrated in our clinical trials;
- The incidence and severity of adverse effects associated with Twirla;
- Limitations on use or warnings contained in FDA-approved labeling;
- Acceptability to patients of the appearance and feel of Twirla;
- Willingness of patients to try a new contraceptive and to use a transdermal patch as their form of contraception;
- Willingness of physicians to prescribe a contraceptive patch in light of safety issues and restrictive labeling of the currently marketed contraceptive patch;
- The cost of Twirla to the patient, as compared to other contraceptive products and methods;
- Our ability to obtain and maintain sufficient third party coverage or reimbursement for Twirla from private health insurers, government healthcare programs (including Medicare, Medicaid and 340B Clinics) and other third party payors; and
- The effectiveness of our or any future collaborators' sales and marketing strategies.

In addition, even if we obtain regulatory approval, the timing of an approval may reduce our ability to commercialize Twirla successfully. For example, if the approval process takes too long, we may miss market opportunities and give other companies the ability to develop competing products. Any regulatory approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render Twirla not commercially viable. For example, regulatory authorities may grant approval contingent on the performance of costly post-marketing clinical trials or other post-marketing commitments, including REMS, or may approve Twirla with a label that contains fewer, or more limited, indications than requested, warnings, precautions or contraindications, including black box warnings, and the label may not include the claims necessary or desirable for the successful commercialization of Twirla. Any of the foregoing scenarios could materially harm the commercial prospects for Twirla.

If Twirla is approved, but does not achieve an adequate level of acceptance by physicians, third-party payors and patients, we may not generate sufficient revenue and we may not be able to achieve or sustain profitability. Our efforts to educate physicians, patients and third party payors on the benefits of Twirla may require significant resources and may never be successful. Even if we are able to demonstrate and maintain a competitive advantage over our competitors and become profitable, if the market for hormonal contraceptives fails to achieve expected future growth or decreases, we may not generate sufficient revenue or sustain profitability.

The proportion of the contraceptive market that is made up of generic products could continue to increase, making introduction of a branded contraceptive difficult and expensive.

The proportion of the U.S. market that is made up of generic products has been increasing over time. In 2005, generic contraceptive products held 47% of prescription volume and 34% of sales and, by 2011, those values had risen to 68% and 44%, respectively. As of September 2013, 73% of the prescription volume and 45% of sales of combined hormonal contraceptives, or CHCs, in the U.S. were generated by generic products. If this trend continues, it may be more difficult to introduce Twirla, if approved, as a branded contraceptive, at a price that will maximize our revenue and profits. Also, there may be additional marketing costs to introduce Twirla in order to overcome the trend towards generics and to gain access to reimbursement by payors. If we are unable to introduce Twirla at a price that is commensurate with that of current branded contraceptive products, or we are unable to gain reimbursement from payors for Twirla, or if patients are unwilling to pay any price differential between Twirla and a generic contraceptive, our revenues will be limited.

Physicians, patients and payors may not adopt a new contraceptive patch due to concerns based upon the prior experience with or perception of the currently marketed contraceptive patch.

The Ortho Evra® contraceptive patch, or Evra, was introduced in early 2002 and was the first and remains the only FDA-approved contraceptive patch. The following is a brief history of the Evra market experience:

- Evra had rapid uptake in the contraceptive market, achieving a 10% share of the CHC market by September 2003. The initial approved labeling for Evra indicated that it delivered a daily EE dose of 20 micrograms.

- Following the approval of Evra, users of Evra began to report thrombotic and thromboembolic events to the FDA.

- A pharmacokinetic study was conducted to compare Evra to an oral contraceptive, which demonstrated that Evra was delivering higher serum concentrations of EE compared to an oral contraceptive with an EE dose of 35 micrograms.

- Johnson & Johnson, the manufacturer of Evra, revised the Evra labeling in November 2005 to include information that EE exposure with Evra is 60% higher than that of an oral contraceptive containing EE of 35 micrograms, based on area under the curve, a commonly-used metric for measuring EE exposure in contraceptives. This information was ultimately included in a unique black box warning and bolded warning in the Evra labeling.

- The FDA held a Joint Meeting of the Advisory Committees for Reproductive Health Drugs and Drug Safety and Risk Management on December 9, 2011. The Committees concluded that users of Evra have an increased risk of VTE compared to contraceptives containing second generation progestins, such as those containing LNG. The Committees, through a vote, concluded that the benefits of Evra outweighed the risks, but that the current package insert did not adequately reflect the risk/benefit profile.

- A subsequent change to the labeling for Evra was implemented in August 2012.

- The Evra market share declined rapidly following the labeling changes, from a peak share of 11% in 2005, to 4% by the end of 2006, to 1.4% by the end of 2013.

We have conducted pharmacokinetic studies of Twirla to demonstrate that it delivers a daily EE dose comparable to a low-dose oral contraceptive with 30 micrograms EE. However, because none of our completed or planned clinical trials studied or expect to study Twirla in a head-to-head comparison with Evra, if Twirla is approved by the FDA, we will not be able to make direct comparative claims regarding the safety and efficacy of Twirla as compared to Evra. While we expect Twirla, if approved, to have the same black box warning currently required for all CHCs, we cannot predict whether the FDA will require that we include information in the Twirla labeling or black box warning regarding the additional risks associated with the Evra patch. Assuming approval, if we are not able to convince physicians, patients and payors that Twirla delivers a low daily dose of EE, this may limit uptake and usage of Twirla and our revenue will be limited.

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

The biotechnology and pharmaceutical industries are intensely competitive. We would have significant competition with contraceptive products already in the marketplace, many of which have substantially greater name recognition, commercial infrastructures and financial, technical and personnel resources than we have. Any new product that competes with a previously approved product may need to demonstrate compelling advantages in efficacy, convenience, tolerability or safety to be commercially successful. In addition, new products developed by others could emerge as competitors to Twirla, if approved. If we are not able to compete effectively against our current and future competitors, our business will not grow and our financial condition and operations will suffer.

Our potential competitors include large, well-established pharmaceutical companies, and specialty pharmaceutical sales and marketing companies. These companies include Merck & Co., Inc., or Merck, which markets Nuvaring®, Actavis plc, or Actavis, which markets several branded and generic contraceptives including Loestrin® 24 and LoLoestrin®, Teva Pharmaceutical Industries Ltd., or Teva, which markets several branded and generic contraceptives including Gianvi® and Quartette®, Bayer AG, or Bayer, which markets Beyaz® and Mirena®, Johnson & Johnson, which markets Ortho-Tri-Cyclen® Lo and Ortho Evra®, and Pfizer Inc., which markets Alesse®. Additionally, several generic manufacturers currently market and continue to introduce new generic contraceptives, including Sandoz International GmbH, Glenmark Pharmaceuticals Ltd., Lupin Pharmaceuticals, Inc., and Amneal Pharmaceuticals LLC.

There are other contraceptive product candidates in development that, if approved, would potentially compete with Twirla. Specifically, Bayer has a contraceptive patch recently approved in the European Union, or E.U., a patch and oral contraceptive, each in Phase 3 clinical development in the United States. Other companies that have new contraceptive product candidates in various stages of development include Teva (oral contraceptive in Phase 3), Merck (oral contraceptive in Phase 3), Actavis (vaginal ring and oral contraceptive in Phase 2) and Antares Pharma, Inc. (transdermal gel contraceptive in Phase 2).

Sales of our products, if approved, may be adversely affected by the consolidation among wholesale drug distributors and the growth of large retail drug store chains.

The network through which we will sell our products, if and when approved, has undergone significant consolidation marked by mergers and acquisitions among wholesale distributors and the growth of large retail drugstore chains. As a result, a small number of large distributors control a significant share of the market. In 2012, three companies generated about 85% of all revenues from drug distribution in the United States, and in 2010, four chain pharmacy companies owned about 30% of all retail pharmacy outlets. Consolidation of drug wholesalers and retailers, as well as any increased pricing pressure that those entities face from their customers, including the U.S. government, may increase pricing pressure and place other competitive pressures on drug manufacturers, including us.

Recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and to commercialize Twirla and may affect the prices we may obtain.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval for Twirla, restrict or regulate post-approval activities and affect our ability to profitably sell Twirla.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We do not know whether additional legislative changes will be enacted, or whether the FDA's regulations, guidance or interpretations will change, or what the impact of such changes on the potential marketing approval of Twirla, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

In March 2010, President Obama signed into law the ACA, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the healthcare industry and impose additional healthcare policy reforms. The ACA, among other things, increased the Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program for both branded and generic drugs, extended the rebate program to certain individuals enrolled in Medicaid managed care organizations, addressed new methodologies by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are line extension products and expanded the 340B drug discount program (excluding orphan drugs) to other entities. Further, the ACA imposed a significant annual tax on companies that manufacture or import branded prescription drug products. Substantial new provisions affecting compliance have also been enacted, which may require us to modify our business practices with regard to healthcare practitioners.

Of particular relevance to our business is the ACA requirement that all health plans, with limited exceptions, cover certain preventive services for women with no cost sharing, which means no deductible, no co-insurance and no co-payments by the patient. Contraceptive methods and counseling, including all FDA-approved contraceptive methods as prescribed, are included in the ACA mandate, and this has come to be known as the "contraceptive mandate." Under the ACA, payors are only required to cover one favored product within each contraceptive "method" without imposing any cost-sharing obligations on the patient. Other products within the same method may also be covered, but payors are allowed to use reasonable medical management techniques, such as the application of cost-sharing obligations. An amendment was issued that provided an exemption to the contraceptive mandate for group health plans established or maintained by religious employers. However, the contraceptive mandate has remained controversial, and several legal challenges have been filed around the country, including challenges pending in the U.S. Supreme Court. Although it is too early to determine the full effect of the contraceptive mandate and other provisions of the ACA on our business, the new law appears likely to continue the pressure on pharmaceutical pricing, especially under the Medicare program, and may also increase our regulatory burdens and operating costs.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, or ATRA, which among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. We expect that additional federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, and in turn could significantly reduce the projected value of our product candidates and reduce our profitability.

Moreover, the recently enacted Drug Quality and Security Act imposes new obligations related to product tracking and tracingon manufacturers of pharmaceutical products. Among the requirements of this new legislation, manufacturers will be required to provide certain information regarding the drug products they produce to individuals and entities to which product ownership is transferred, label drug product with a product identifier, and keep certain records regarding the drug product. The transfer of information to subsequent product owners by manufacturers will eventually be required to be done electronically. Manufacturers will also be required to verify that purchasers of the manufacturers' drug products are appropriately licensed. Further, under this new legislation, manufacturers will have drug product investigation, quarantine, disposition, and FDA and trading partner notification responsibilities related to counterfeit, diverted, stolen and intentionally adulterated products, as well as products that are the subject of fraudulent transactions or which are otherwise unfit for distribution such that they would be reasonably likely to result in serious health consequences or death.

Third party coverage and reimbursement and healthcare cost containment initiatives and treatment guidelines may constrain our future revenues.

Our ability to successfully market Twirla, if approved, will depend in part on the level of coverage and reimbursement that government authorities, private health insurers and other organizations provide for Twirla and contraceptives in general. Countries in which Twirla is sold through reimbursement schemes under national health insurance programs frequently require that manufacturers and sellers of pharmaceutical products obtain governmental approval of initial prices and any subsequent price increases. In certain countries, including the United States, government-funded and private medical care plans can exert significant indirect pressure on prices. We may not be able to sell Twirla profitably if adequate prices are not approved or coverage and reimbursement are unavailable or limited in scope. Increasingly, third party payors attempt to contain healthcare costs in ways that are likely to impact our development of products including:

- Failing to approve or challenging the prices charged for healthcare products;
- Introducing reimportation schemes from lower-priced jurisdictions;
- Limiting both coverage and the amount of reimbursement for new therapeutic products;
- Denying or limiting coverage for products that are approved by the regulatory agencies but are considered to be experimental or investigational by third party payors; and
- Refusing to provide coverage when an approved product is used for off-label indications.

Risks Related to Manufacturing and Our Reliance on Third Parties

We have no manufacturing capacity and anticipate continued reliance on Corium, our third party manufacturer, for the development and commercialization of our product candidates in accordance with manufacturing regulations.

We rely on Corium International, Inc., or Corium, our third party manufacturer, to produce clinical supplies of Twirla and our other product candidates, and we plan to continue relying on them for commercial supplies and samples of our product candidates, if approved. We do not own or operate, and have no plans to establish, any manufacturing facilities for our product candidates. We lack the resources and the capabilities to manufacture Twirla or any of our product candidates

on a clinical or commercial scale. The facilities used by Corium to manufacture our product candidates must be approved by the FDA pursuant to inspections that will be conducted after submission of an NDA to the FDA. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with the regulatory requirements, known as Current Good Manufacturing Practices, or cGMPs, for manufacture of our product candidates and our products, if and when approved. If Corium or other contract manufacturers that we may use cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturer to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Moreover, if our contract manufacturer cannot successfully manufacture materials that conform to our specifications and the strict regulatory requirements of the FDA or others, we may be subject to other regulatory enforcement action such as Warning Letters, Untitled Letters, recalls, product seizures, fines, imprisonment, consent decrees, refusal to permit import or export of the product and injunction against manufacture or distribution.

The machinery to produce the commercial supply of Twirla must be qualified and validated, which is time-consuming and expensive, and this machinery is located within one manufacturing site and is customized to the particular manufacturing specifications of Twirla. If Corium is unable to qualify and validate this equipment in a timely manner, our ability to launch and commercialize Twirla will be compromised. If this customized equipment malfunctions at any time during the production process, the time it may take Corium to secure replacement parts, to undertake repairs and to revalidate the equipment and process could limit our ability to meet the commercial demand for Twirla. This may increase the risk that the third party manufacturer may not manufacture Twirla in accordance with the applicable regulatory requirements, that we may not have sufficient quantities of Twirla or our product candidates or that we may not have such quantities at an acceptable cost, any of which could delay, prevent, or impair the commercialization of Twirla, if approved, and the development of our product candidates.

Although we have manufacturing agreements with Corium for the clinical and commercial supply of Twirla, Corium and several of its suppliers of raw materials will be single source providers to us for a significant period of time. In particular, Corium manufactures Twirla using EE and LNG and components that it purchases from third parties, most of which are single source suppliers of the applicable material. We do not have any control over the process or timing of the acquisition of these raw materials by Corium. Although we generally do not begin a clinical trial unless we believe we have a sufficient supply of a product candidate to complete the clinical trial, any significant delay in the supply of a product candidate, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a third party manufacturer could considerably delay completion of our clinical trials, product testing and potential regulatory approval of our product candidates.

Because we outsource all of our manufacturing processes, there is no guarantee that there will be sufficient supplies to fulfill our requirements or that we may obtain such supplies on

acceptable terms. Although Corium intends to enter into agreements with critical manufacturers, component fabricators and secondary service providers to secure commercial supply of Twirla, not all of such suppliers and service providers will be under contract. Any delays in obtaining adequate supplies of our product candidates could limit our ability to meet commercial demand for Twirla.

In addition, in the event Twirla is approved and achieves significant market share, Corium may not possess adequate manufacturing capabilities to meet market demand for Twirla. If it becomes necessary to engage an additional third party manufacturer to produce Twirla, we may need to license certain manufacturing know-how from Corium, or our commercial supply will be limited while the new third party manufacturer develops the necessary know-how to manufacture Twirla.

Reliance on a third party manufacturer subjects us to risks that would not affect us if we manufactured the product candidates ourselves, including:

- Reliance on the third party for regulatory compliance and quality assurance;
- Reduced control over the manufacturing process for our product candidates;
- The possible breach of the manufacturing agreements by the third party because of factors beyond our control;
- The possibility of termination or nonrenewal of the agreements by the third party because of our breach of the manufacturing agreement or based on their own business priorities; and
- The disruption and costs associated with changing suppliers.

Our product candidates may compete with other products and product candidates for access to manufacturing resources and facilities. There are a limited number of manufacturers that operate under cGMP requirements and that are both capable of manufacturing for us and willing to do so. If our existing third party manufacturer, or the third parties that we may engage in the future to manufacture a product for commercial sale or for our clinical trials, should cease to continue to manufacture our product candidates for any reason, we likely would experience delays in obtaining sufficient quantities of our product candidates for us to meet commercial demand or to advance our clinical trials while we identify and qualify replacement suppliers. If for any reason we are unable to obtain adequate supplies of our product candidates or the drug substances used to manufacture them, it will be more difficult for us to develop our product candidates and compete effectively.

Our third party manufacturer is subject to regulatory requirements, covering manufacturing, testing, quality control and record keeping relating to our product candidates, and subject to ongoing inspections by the regulatory agencies. In addition to the above-described regulatory actions, failures by our third party manufacturer to comply with applicable regulations may result in long delays and interruptions to our manufacturing capacity while we seek to secure another third party manufacturer that meets all regulatory requirements.

We are dependent on numerous third parties in Corium's supply chain for the supply of our product candidates, and if Corium fails to maintain supply relationships with these third parties, develop new relationships with other third parties or suffers disruptions in supply, we may be unable to continue to develop our product candidates, or, assuming FDA approval, commercialize Twirla.

We, through our manufacturing partner Corium, rely on a number of third parties for the supply of active ingredients and other raw materials for the clinical supply of our product candidates and, assuming FDA approval, commercialization of Twirla. Our ability to develop our product candidates depends, in part, on Corium's ability to successfully obtain the active pharmaceutical ingredients used in our product candidates, in accordance with regulatory requirements and in sufficient quantities for clinical testing and later commercialization. If Corium fails to develop and maintain supply relationships with these third parties, we may be unable to continue to develop our product candidates or commercialize any approved products in the future.

We, through Corium, also rely on certain third parties as the current sole source of the materials they supply. Although many of these materials are produced in more than one location or are available from another supplier, if any of these materials becomes unavailable to us for any reason, we likely would incur added costs and delays in identifying or qualifying replacement materials and there can be no assurance that replacements would be available to us on acceptable terms, or at all. In certain cases we may be required to get regulatory approval to use alternative suppliers, and this process of approval could delay development of our product candidates and, assuming FDA approval, commercial production of Twirla, indefinitely.

If Corium's third party suppliers fail to deliver the required quantities of sub-components and starting materials, in accordance with all regulatory requirements, and on a timely basis and at commercially reasonable prices, and we and Corium are unable to find one or more replacement suppliers capable of production at a substantially equivalent cost in substantially equivalent volumes and quality, and on a timely basis, the continued development of our product candidates, and assuming FDA approval, commercialization of Twirla, would be impeded, delayed, limited or prevented, which could harm our business, results of operations, financial condition and prospects.

If the manufacturing facilities of Corium are not maintained in a manner that is compliant with cGMP requirements, we may need to find alternative manufacturers and suppliers, which could result in supply interruptions of Twirla, additional costs and lost revenues.

Corium's facilities used for the manufacture of our product candidates must be maintained in a manner compliant with cGMP requirements, including obtaining favorable inspection reports. We do not control the manufacturing process of Twirla and are dependent on Corium for compliance with the FDA's requirements for manufacture of Twirla. If Corium cannot successfully manufacture material components and finished products that conform to our specifications and the FDA's strict regulatory requirements, they and we may be subject to regulatory action, including adverse inspectional findings, Warning Letters, Untitled Letters, product recalls or seizures, refusal to allow the import or export of a product, injunction against manufacture or distribution, consent decrees fines and imprisonment, and Corium may not be able to maintain FDA approval for its manufacturing facilities or acceptance of its manufacturing data in regulatory filings. If Corium's facilities cannot maintain compliance with FDA requirements, we may need to find and successfully qualify alternative manufacturing facilities, which could result in supply interruptions

of Twirla and substantial additional costs as a result of such delays, including costs with respect to finding alternative manufacturing facilities, and lost revenues.

We rely on third parties to conduct aspects of our clinical trials. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with applicable regulatory requirements, we may be delayed in obtaining or ultimately not be able to obtain marketing approval for our product candidates.

We currently rely on CROs for most aspects of our clinical trials, including trial conduct, data management, statistical analysis and electronic compilation of our NDA. We may enter into agreements with CROs to obtain additional resources and expertise in an attempt to accelerate our progress with regard to new or ongoing clinical and preclinical programs. Entering into relationships with CROs involves substantial cost and requires extensive management time and focus. In addition, typically there is a transition period between engagement of a CRO and the time the CRO commences work. As a result, delays may occur, which may materially impact our ability to meet our desired clinical development timelines and ultimately have a material adverse impact on our operating results, financial condition or future prospects.

As CROs are not our employees, we cannot control whether or not they devote sufficient time and resources to our clinical trials for which they are engaged to perform, and whether they comply with the applicable regulatory requirements, known as Current Good Clinical Practices, or cGCPs, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area, or EEA, and comparable foreign regulatory authorities for all of our product candidates in clinical development, which include requirements related to the conduct of the study, subject informed consent, and IRB approval. Regulatory authorities enforce these cGCPs through periodic inspections of trial sponsors, principal investigators and trial sites. Although we may rely on third parties for the execution of our trials, we are nevertheless responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards and our reliance on CROs does not relieve us of our regulatory responsibilities. If we or any of our CROs fail to comply with applicable cGCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, European Medicines Agency or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications, in addition to the additional Phase 3 clinical trial that we are planning to conduct in response to the CRL that we received from the FDA in February 2013. We cannot assure you that, upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with cGCP regulations. In addition, our clinical trials must be conducted with product candidate materials produced under cGMP regulations. Our failure to comply with these regulations may require us to discontinue or repeat clinical trials, which would delay the regulatory approval process. If the CROs we engage do not successfully carry out their contractual duties or obligations, conduct the clinical trials in accordance with all regulatory requirements, or meet expected deadlines, or if they need to be replaced, or the quality or accuracy of the data they provide is compromised due to the failure to adhere to regulatory requirements or for other reasons, then our development programs may be extended, delayed or terminated, or we may not be able to obtain marketing approval for or successfully commercialize our product candidates. Failure to comply with clinical trial regulatory requirements may further subject us to regulatory action, including Warning Letters, Untitled Letters, adverse inspectional findings, clinical holds,

fines and monetary penalties, imprisonment, injunction against manufacture or distribution and debarment. As a result, our financial results and the commercial prospects for our product candidates would be harmed and our costs would increase.

Any collaboration arrangements that we may enter into in the future may not be successful, which could adversely affect our ability to develop and commercialize our product candidates.

We may seek partnerships, collaborations and other strategic transactions to maximize the commercial potential of Twirla, our other product candidates and our proprietary technologies in the United States and territories throughout the world. We may enter into such arrangements on a selective basis depending on the merits of retaining commercialization rights for ourselves as compared to entering into selective collaboration arrangements with leading pharmaceutical or biotechnology companies for Twirla and each of our other product candidates and technologies, both in the United States and internationally. We face competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements should we choose to enter into such arrangements. The terms of any collaborations or other arrangements that we may establish may not be favorable to us.

Any future collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations.

Disagreements between parties to a collaboration arrangement regarding clinical development and commercialization matters could lead to delays in the development process or commercialization of our product candidates and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision making authority.

Collaborations with pharmaceutical or biotechnology companies and other third parties often are terminated or allowed to expire by the other party. Any such termination or expiration could adversely affect us financially and could harm our business reputation.

If we fail to establish an effective distribution process our business may be adversely affected.

We do not currently have the infrastructure necessary for distributing pharmaceutical products. We intend to contract with third party logistics wholesalers to warehouse these products and distribute them to pharmacies. This distribution network will require significant coordination with our sales and marketing and finance organizations. Failure to secure contracts with wholesalers could negatively impact the distribution of our products, if and when approved, and failure to coordinate financial systems could negatively impact our ability to accurately report product revenue. If we are unable to effectively establish and manage the distribution process, the commercial launch and sales of our products, if and when approved, will be delayed or severely compromised and our results of operations may be harmed.

Risks Related to Regulatory Matters Following Approval

Even if we obtain marketing approval for Twirla, we will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense. Additionally, Twirla could be subject to labeling and other restrictions, including withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with Twirla.

Even if we obtain U.S. regulatory approval of Twirla, the FDA may still impose significant restrictions on its indicated uses, including more limited patient populations, require that precautions, contraindications, or warnings be included on the product labeling, including black box warnings, or impose ongoing requirements for potentially costly and time-consuming post-approval studies, including Phase 4 clinical trials, and post-market surveillance to monitor safety and efficacy. Claims that we may make may also be restricted through our approved labeling. Twirla will also be subject to ongoing regulatory requirements governing the manufacturing, labeling, packaging, storage, distribution, import, export, safety surveillance, advertising, marketing promotion, recordkeeping, reporting of adverse events and other post-market information, and further development. These requirements include registration with the FDA, listing of our drug products, payment of annual fees, as well as continued compliance with cGCPs for any clinical trials that we conduct post-approval. In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP requirements relating to quality control, quality assurance and corresponding maintenance of records and documents. Should the inspectional findings not be resolved to the FDA's satisfaction or should the finding rise to a sufficient level, the FDA may issue a Warning Letter or Untitled Letter, or take other regulatory action such as a product seizure, withdrawal of product approval, request for a recall, refusal to allow the import or export of the product, fines, injunction against manufacture or distribution, consent decrees or imprisonment.

The FDA has the authority to require a REMS as part of an NDA or after approval, which may impose further requirements or restrictions on the information that patients must be provided, distribution or use of an approved drug, such as limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria or requiring treated patients to enroll in a registry.

With respect to sales and marketing activities by us or any future collaborative partner, advertising and promotional materials must comply with the FDA's rules in addition to other applicable federal and local laws in the United States and similar legal requirements in other countries. In the United States, the distribution of product samples to physicians must comply with the requirements of the U.S. Prescription Drug Marketing Act. Application holders must notify the FDA, and depending on the nature of the change, obtain FDA pre-approval for product and manufacturing changes. We may also be subject, directly or indirectly through our customers and partners, to various fraud and abuse laws, including, without limitation, the U.S. Anti-Kickback Statute, U.S. False Claims Act and similar state laws, which impact, among other things, our proposed sales, marketing and scientific/educational grant programs. If we participate in the U.S. Medicaid Drug Rebate Program, the Federal Supply Schedule of the U.S. Department of Veterans Affairs, or other government drug programs, we will be subject to complex laws and regulations regarding reporting and payment obligations. All of these activities are also potentially subject to

U.S. federal and state consumer protection and unfair competition laws. Similar requirements exist in many of these areas in other countries.

In addition, if Twirla is approved, our product labeling, advertising and promotional materials would be subject to regulatory requirements and continuing review by the FDA, Department of Justice, Department of Health and Human Services' Office of Inspector General, state attorneys general, members of Congress and the public. The FDA strictly regulates the promotional claims that may be made about prescription products. In particular, a product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling, a practice known as off-label promotion. If we receive marketing approval for Twirla, physicians may nevertheless prescribe Twirla to their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off-label uses, we may become subject to significant liability and government fines. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant sanctions. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees of permanent injunctions under which specified promotional conduct is changed or curtailed. For example, we believe that Twirla, if approved, will have a label consistent with all other marketed hormonal contraceptive products, which include class labeling that warns of risks of certain serious conditions, including venous and arterial blood clots, such as heart attacks, thromboembolism and stroke, as well as liver tumors, gallbladder disease, and hypertension, and a black box warning regarding risks of smoking and CHC use and particularly in women over 35 years old that smoke. However, regulatory authorities may require the inclusion of additional statements about adverse events in the label, including additional black box warnings or contraindications.

In the United States, engaging in the impermissible promotion of our products, following approval, for off-label uses can also subject us to false claims litigation under federal and state statutes, which can lead to civil and criminal penalties and fines, agreements with governmental authorities that materially restrict the manner in which we promote or distribute drug products through, for example, corporate integrity agreements, and debarment, suspension or exclusion from participation in federal and state healthcare programs. These false claims statutes include the federal civil False Claims Act, which allows any individual to bring a lawsuit against a pharmaceutical company on behalf of the federal government alleging submission of false or fraudulent claims, or causing others to present such false or fraudulent claims, for payment by a federal program such as Medicare or Medicaid. If the government decides to intervene and prevails in the lawsuit, the individual will share in the proceeds from any fines or settlement funds. If the government declines to intervene, the individual may pursue the case alone. Since 2004, these False Claims Act lawsuits against pharmaceutical companies have increased significantly in volume and breadth, leading to several substantial civil and criminal settlements regarding certain sales practices promoting off-label drug uses involving fines that are as much as $3.0 billion. This growth in litigation has increased the risk that a pharmaceutical company will have to defend a false claim action, pay settlement fines or restitution, agree to comply with burdensome reporting and compliance obligations, and be excluded from Medicare, Medicaid and other federal and state healthcare programs. If we do not lawfully promote our approved products, if any, we may

become subject to such litigation and, if we do not successfully defend against such actions, those actions may have a material adverse effect on our business, financial condition, results of operations and prospects.

If we or a regulatory agency discover previously unknown problems with a product candidate, once approved, such as adverse events of unanticipated severity or frequency, data integrity issues with regulatory filings, problems with the facility where the product is manufactured or we or our manufacturers fail to comply with applicable regulatory requirements, we may be subject to reporting obligations as well as the following administrative or judicial sanctions:

- Restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- Issuance of Warning Letters, Cyber Letters or Untitled Letters;
- Mandate modification to promotional materials or require us to provide corrective information to healthcare providers;
- Require us to enter into a consent decree, which can include imposition of various fines, reimbursement for inspection costs, required due dates for specific actions and penalties for noncompliance;
- Clinical holds;
- Injunctions or the imposition of civil or criminal penalties, imprisonment or monetary fines;
- Suspension or withdrawal of regulatory approval;
- Suspension of any ongoing clinical trials;
- Refusal to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of product license approvals;
- Debarment;
- Suspension or imposition of restrictions on operations, including costly new manufacturing requirements; or
- Product seizure or detention or refusal to permit the import or export of product.

The occurrence of any event or penalty described above may inhibit our ability to commercialize Twirla, if approved, and generate revenue. Adverse regulatory action, whether pre- or post-approval, can also potentially lead to product liability claims and increase our product liability exposure.

Moreover, the FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval, and the sale and promotion of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

Even if Twirla receives marketing approval by the FDA in the United States, we may never receive marketing approval for or commercialize Twirla or any other product candidates outside the United States.

In order to market Twirla or any other product candidate outside the United States, we must obtain separate marketing approvals and comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our product candidates. The time required to obtain approval in other countries might differ from and be longer than that required to obtain FDA approval. The marketing approval process in other countries may include all of the risks associated with obtaining FDA approval in the United States, as well as other risks. For example, legislation analogous to Section 505(b)(2) of the FDCA in the United States, which relates to the ability of an NDA applicant to use published data not developed by such applicant, may not exist in other countries. In territories where data is not freely available, we may not have the ability to commercialize our products, when and if approved, without negotiating rights from third parties to refer to their clinical data in our regulatory applications, which could require the expenditure of significant additional funds. Further, we may be unable to obtain rights to the necessary clinical data and may be required to develop our own proprietary safety and efficacy dossiers. In addition, in many countries outside the United States, it is required that a product receive pricing and reimbursement approval before the product can be commercialized. This can result in substantial delays in such countries. Further, the product labeling requirements outside the United States may be different and inconsistent with the U.S. labeling and to the detriment to the product, and therefore negatively affect the ability to market in countries outside the United States.

Marketing approval in one country does not ensure marketing approval in another, but a failure or delay in obtaining marketing approval in one country may have a negative effect on the regulatory process in others. In addition, we may be subject to fines, suspension or withdrawal of marketing approvals, product recalls, seizure of products, operating restrictions and criminal prosecution if we fail to comply with applicable foreign regulatory requirements. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, our ability to market to our full target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

We will need to obtain FDA approval of any proposed product names, and any failure or delay associated with such approval may adversely affect our business.

We have received conditional approval from the FDA for the use of Twirla as the proprietary name for our lead product candidate, AG200-15. However, this approval is conditional upon a further and final review by the FDA at the time of NDA approval. Additionally, any name we intend to use for our other product candidates will require approval from the FDA regardless of whether we have secured a formal trademark registration from the U.S. Patent and Trademark Office, or USPTO. The FDA typically conducts a review of proposed product names, including an evaluation of the potential for confusion with other product names. The FDA may also object to a product name if it believes the name inappropriately implies medical claims or contributes to an overstatement of efficacy. If the FDA objects to any of our proposed product names, we may be required to adopt alternative names for our product candidates. If we adopt alternative names, we

would lose the benefit of our existing trademark applications for such product candidate and may be required to expend significant additional resources in an effort to identify a suitable product name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. We may be unable to build a successful brand identity for a new trademark in a timely manner or at all, which would limit our ability to commercialize our product candidates.

Our relationships with physicians, customers and payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any product candidates that we commercialize. Our arrangements with third-party payors, including government healthcare programs, and customers will expose us to broadly-applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute Twirla, if approved, and any other product candidates we commercialize. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- The federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs such as Medicare and Medicaid;

- The federal False Claims Act imposes criminal and civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease, or conceal an obligation to pay money to the federal government;

- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and its implementing regulations, impose obligations on covered healthcare providers, health plans and healthcare clearinghouses, as well as their business associates that create receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- The federal physician payment transparency requirements under the ACA and applicable regulations require manufacturers of drugs, devices, biologics and medical supplies to report certain information to the Department of Health and Human Services including information related to payments and other transfers of value made to physicians and teaching hospitals and the ownership and investment interests held by physicians and their immediate family members; and

- Analogous state laws and regulations, such as state anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures and drug pricing; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the relevant government or regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Moreover, recent healthcare reform legislation has strengthened these laws. For example, the ACA, among other things, amended the intent requirement of the federal anti-kickback and criminal healthcare fraud statutes; such that a person or entity no longer needs to have actual knowledge of these statutes or specific intent to violate them. In addition, the ACA provided that the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the false claims statutes.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations are costly. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations, including anticipated activities conducted by our sales team in the sale of Twirla, if approved, are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business is found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Risks Related to Intellectual Property Rights

We may not be able to protect our proprietary technology in the marketplace.

We depend on our ability to protect our proprietary technology. We rely on trade secret, patent, copyright and trademark laws, and confidentiality, licensing and other agreements with employees and third parties, all of which offer only limited protection. Our success depends in large part on our ability and any future licensee's ability to maintain our patents and to obtain additional patent protection in the United States and other countries with respect to our proprietary technology and products. We believe we will be able to obtain, through prosecution of our pending patent applications, additional patent protection for our proprietary technology. If we are compelled to spend significant time and money protecting or enforcing our patents, designing around patents held by others or licensing or acquiring, potentially for large fees, patents or other

proprietary rights held by others, our business and financial prospects may be harmed. If we are unable to effectively protect the intellectual property that we own, other companies may be able to offer for sale the same or similar products containing the generically available active pharmaceutical ingredients in our product candidates, which could materially adversely affect our competitive business position and harm our business prospects. Our patents may be challenged, narrowed, invalidated or circumvented, which could limit our ability to stop competitors from marketing the same or similar products or limit the length of term of patent protection that we may have for our product candidates. Even if our patents are unchallenged, they may not adequately protect our intellectual property, provide exclusivity for our product candidates or prevent others from designing around our claims. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

The patent positions of pharmaceutical products are often complex and uncertain. The breadth of claims allowed in pharmaceutical patents in the United States and many jurisdictions outside of the United States is not consistent. For example, in many jurisdictions the support standards for pharmaceutical patents are becoming increasingly strict. Some countries prohibit method of treatment claims in patents. Changes in either the patent laws or interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property or create uncertainty. In addition, publication of information related to our current product candidates and potential products may prevent us from obtaining or enforcing patents relating to these product candidates and potential products, including without limitation transdermal delivery systems and methods of using such transdermal delivery systems. Our product candidates contain generically available active pharmaceutical ingredients. As a result, composition-of-matter patents directed to the active pharmaceutical ingredients in our product candidates, which are generally believed to offer the strongest form of patent protection, are not available for our product candidates.

Patents that we own or may license in the future do not necessarily ensure the protection of our intellectual property for a number of reasons, including without limitation the following:

- The active pharmaceutical ingredients in our product candidates are generic and therefore our patents do not include claims directed solely to the active pharmaceutical ingredients;
- Our patents may not be broad or strong enough to prevent competition from other products that are identical or similar to our product candidates using the same active pharmaceutical ingredients;
- There can be no assurance that the term of a patent protection will be long enough for our company to realize sufficient economic value under the patents following commercialization of our product candidates;
- We do not expect, upon approval of our NDA, to receive patent term restoration under the Hatch-Waxman Act for the five patents that have been submitted to the FDA for listing in the Orange Book;
- Our issued patents and pending patent applications that may issue as patents in the future may not prevent entry into the U.S. market or other markets of generic versions of our Twirla and AG890 product candidates;
- We do not at this time own or control issued foreign patents in all markets that would prevent generic entry into some markets for our product candidates;

- We may be required to disclaim part of the term of one or more patents;
- There may be prior art of which we are not aware that may affect the validity or enforceability of a patent claim;
- There may be prior art of which we are aware, which we do not believe affects the validity or enforceability of a patent claim, but which, nonetheless, ultimately may be found to affect the validity or enforceability of a patent claim;
- There may be other patents issued to others that will affect our freedom to operate;
- If our patents are challenged, a patent office or a court could determine that they are invalid or unenforceable;
- There might be changes in the law that governs patentability, validity and infringement of our patents that adversely affects the scope or enforceability of our patent rights;
- A court could determine that a competitor's technology or product that is the same as or similar to, our product candidates does not infringe our patents; and
- Our patents could irretrievably lapse due to failure to pay fees or otherwise comply with regulations or could be subject to compulsory licensing.

If we encounter delays in our development or clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced.

Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. Our competitors may seek to market generic versions of any approved products by submitting abbreviated new drug applications to the FDA in which our competitors claim that our patents are invalid, unenforceable or not infringed. Alternatively, our competitors may seek approval to market their own products that are the same as, similar to or otherwise competitive with our product candidates. In these circumstances, we may need to defend or assert our patents, by means including filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or government agency with jurisdiction may find our patents invalid, unenforceable or not infringed. We may also fail to identify patentable aspects of our research and development before it is too late to obtain patent protection. Even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives.

The issuance of a patent is not conclusive as to its inventorship, scope, ownership, priority, validity or enforceability. In that regard, third parties may challenge our patents in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and potential products. In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire or be held invalid or unenforceable before our company can realize sufficient economic value following commercialization of our product candidates.

Our intellectual property portfolio is currently comprised of issued patents and pending patent applications. If our issued patents are found to be invalid, not enforceable or not infringed by competitor products, or pending patent applications fail to issue or fail to issue with a scope that is meaningful to our product candidates, our business will be adversely affected.

There can be no assurance that our pending patent applications will result in issued patents in the United States or foreign jurisdictions in which such applications are pending. Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that we will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with our product candidates.

We may not be able to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to life sciences. To the extent that we have obtained or are able to obtain patents or other intellectual property rights in any foreign jurisdictions, it may be difficult for us to stop the infringement of our patents or the misappropriation of other intellectual property rights. For example, some foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the availability of certain types of patent rights and enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and product candidates, and the enforcement of intellectual property.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. In particular, under the Leahy-Smith Act, the United States transitioned in March 2013 to a "first to file" system in which the first inventor to file a patent application will be entitled to the patent. Third parties are allowed to submit prior art before the issuance of a patent by the USPTO, and may become involved in post-grant proceedings including opposition, derivation, reexamination, inter-partes review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position.

The USPTO has developed regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, did not become effective until March 16, 2013. However, the full impact of the Leahy-Smith Act and the courts' review of any appeals to related proceedings, is in its early stages. Accordingly, the full impact that the Leahy-Smith Act will have on the operation of our business is not clear. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, as well as our ability to bring about timely favorable resolution of any disputes involving our patents and the patents of others.

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

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in unenforceability, invalidity, abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in unenforceability, invalidity, abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we or any future licensors fail to maintain the patents and patent applications covering our product candidates, our competitive position would be adversely affected.

We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts and stop us from commercializing or increase the costs of commercializing our products, when and if approved.

Our commercial success depends significantly on our ability to operate without infringing the patents and other intellectual property rights of third parties. For example, there could be issued patents of which we are not aware that our current or future product candidates infringe. There also could be patents that we believe we do not infringe, but that we may ultimately be found to infringe.

Moreover, patent applications are in some cases maintained in secrecy until patents are issued. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications were filed. There may be currently pending applications of which we are unaware that may later result in issued patents that our current or future product candidates infringe. For example, pending applications may exist that claim or can be amended to claim subject matter that our current or future product candidates infringe. Competitors may file continuing patent applications claiming priority to already issued patents in the form of continuation, divisional or

continuation-in-part applications, in order to maintain the pendency of a patent family and attempt to cover our product candidates.

Third parties may assert that we are employing their proprietary technology without authorization and may sue us for patent or other intellectual property infringement or misappropriation. These lawsuits are costly and could adversely affect our results of operations and divert the attention of managerial and scientific personnel. If we are sued for patent infringement, we would need to demonstrate that our product candidates or methods either do not infringe the claims of the relevant patent or that the patent claims are invalid, and we may not be able to do this. Proving invalidity is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on us. In addition, we may not have sufficient resources to bring these actions to a successful conclusion. If a court holds that any third-party patents are valid, enforceable and cover our product candidates or their use, the holders of any of these patents may be able to block our ability to commercialize our product candidates unless we acquire or obtain a license under the applicable patents or until the patents expire. We may not be able to enter into licensing arrangements or make other arrangements at a reasonable cost or on reasonable terms. Any inability to secure licenses or alternative technology could result in delays in the introduction of our product candidates or lead to prohibition of the manufacture or sale of product candidates by us. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, in any such proceeding or litigation, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Any claims by third parties that we have misappropriated their confidential information, know-how or trade secrets could have a similar negative impact on our business. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

We may be subject to claims that we or our employees have misappropriated the intellectual property, including know-how or trade secrets, of a third party, or that claim ownership of what we regard as our own intellectual property.

Many of our employees, consultants and contractors were previously employed at or engaged by biotechnology companies or other pharmaceutical companies, including our competitors or potential competitors. Some of these employees, consultants and contractors, including each member of our senior management, executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees, consultants and contractors do not use the intellectual property and other proprietary information or know-how or trade secrets of others in their work for us, we may be subject to claims that we or these employees, consultants and contractors have used or disclosed such intellectual property, including know-how, trade secrets or other proprietary information. Litigation may be necessary to defend against these claims. We are not aware of any

threatened or pending claims related to these matters or concerning agreements with our senior management, or other of our employees, consultants and contractors, but litigation may be necessary in the future to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, or personnel or access to consultants and contractors. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while we typically require our employees, consultants and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

We may be unable to adequately prevent disclosure of trade secrets and other proprietary information.

We rely on trade secrets to protect our proprietary technological advances and know-how, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, contractors, outside scientific collaborators, sponsored researchers and other advisors, including the third parties we rely on to manufacture our product candidates, to protect our trade secrets and other proprietary information. However, any party with whom we have executed such an agreement may breach that agreement and disclose our proprietary information, including our trade secrets. Accordingly, these agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights. In addition, others may independently discover our trade secrets and proprietary information. Further, the FDA, as part of its Transparency Initiative, a proposal to increase disclosure and make data more accessible to the public, is currently considering whether to make additional information publicly available on a routine basis, including information that we may consider to be trade secrets or other proprietary information, and it is not clear at the present time how the FDA's disclosure policies may change in the future, if at all. Failure to obtain or maintain trade secret protection could enable competitors to use our proprietary information to develop products that compete with our products or cause additional, material adverse effects upon our competitive business position and financial results.

Any lawsuits relating to infringement of intellectual property rights brought by or against us will be costly and time consuming and may adversely impact the price of our common stock.

We may be required to initiate litigation to enforce or defend our intellectual property rights. These lawsuits can be very time consuming and costly. There is a substantial amount of litigation involving patent and other intellectual property rights in the pharmaceutical industry generally. Such litigation or proceedings could substantially increase our operating expenses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

In infringement litigation, any award of monetary damages we receive may not be commercially valuable. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information and trade secrets could be compromised by disclosure during litigation. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are resolved. Further, any claims we assert against a perceived infringer could provoke these parties to assert counterclaims against us alleging that we have infringed their patents. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

In addition, our patents and patent applications could face other challenges, such as interference proceedings, opposition proceedings, reissue, inter partes review, re-examination proceedings, third-party submissions of prior art, and other forms of post-grant review. In the United States, for example, post-grant review has recently been expanded. Any of these challenges, if successful, could result in the invalidation of, or in a narrowing of the scope or preventing the issuance of, any of our patents and patent applications subject to challenge. Any of these challenges, regardless of their success, would likely be time consuming and expensive to defend and resolve and would divert our management and scientific personnel's time and attention.

In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the market price of our common stock.

Intellectual property disputes could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings.

Risks Related to the Development of Our Additional Product Candidates

If we fail to develop and commercialize our current pipeline of additional product candidates, our prospects for future growth and our ability to reach or sustain profitability may be limited.

A key element of our strategy is to develop, obtain regulatory approval for and commercialize our portfolio of product candidates in addition to Twirla. To do so, we plan to utilize our proprietary transdermal delivery technology, Skinfusion, to develop additional product candidates. We may not be successful in our efforts to develop our portfolio of additional product candidates, and any product candidates we do develop may not produce commercially viable products that

safely and effectively treat their indicated conditions. To date, our efforts have yielded three additional product candidates in addition to Twirla, including AG200-ER, which is a regimen designed to allow a woman to extend the length of her cycle, AG200-SP, which is a regimen designed to provide a shortened hormone-free interval, and AG890, which is a progestin-only contraceptive patch intended for use by women who are unable or unwilling to take estrogen.

Our development programs may initially show promise in identifying potential product leads, yet fail to produce product candidates for clinical development. In addition, identifying new treatment needs and product candidates requires substantial technical, financial and human resources on our part. If we are unable to obtain development partners or additional development program funding, or to continue to devote substantial technical and human resources to such programs, we may have to delay or abandon these programs. Any product candidate that we successfully identify may require substantial additional development efforts prior to commercial sale, including preclinical studies, extensive clinical testing and approval by the FDA and applicable foreign regulatory authorities. All product candidates are susceptible to the risks of failure that are inherent in pharmaceutical product development.

We may be unable to license or acquire suitable additional product candidates or technologies from third parties for a number of reasons.

The licensing and acquisition of pharmaceutical products is competitive. A number of more established companies are also pursuing strategies to license or acquire products. These established companies may have a competitive advantage over us due to their size, cash resources or greater clinical development and commercialization capabilities. In addition, we expect competition in acquiring product candidates to increase, which may lead to fewer suitable acquisition opportunities for us as well as higher acquisition prices.

Other factors that may prevent us from licensing or otherwise acquiring suitable product candidates include the following:

- We may be unable to license or acquire the relevant technology on terms that would allow us to make an appropriate return on our investment in such product;
- Companies that perceive us to be their competitor may be unwilling to assign or license their product rights to us;
- We may be unable to identify suitable products or product candidates within our areas of expertise; or
- We may not have sufficient funds to acquire, develop or commercialize additional product candidates or technologies.

Risks Related to Our Business Operations and Industry

In order to establish our sales and marketing infrastructure, we will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of March 17, 2014, we had a total of 11 full-time employees, and we use third-party consultants to assist with our current sales and marketing functions. As our development and commercialization plans and strategies develop, we expect to need to expand the size of our employee base for managerial, operational, sales, marketing, financial and other resources. Future growth would impose significant added responsibilities on members of management, including the

need to identify, recruit, maintain, motivate and integrate additional employees. In addition, our management may have to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. Our future financial performance and our ability to commercialize Twirla, if approved, and any other future product candidates and our ability to compete effectively will depend, in part, on our ability to effectively manage any future growth.

If we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our ability to compete in the highly competitive pharmaceuticals industry depends in large part upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our management, scientific and medical personnel. In order to induce valuable employees to remain with us, we have provided these employees with stock options that vest over time. The value to employees of stock options that vest over time is significantly affected by movements in our stock price that we cannot control and may at any time be insufficient to counteract more lucrative offers from other companies.

Our management team has expertise in many different aspects of drug development and commercialization. Competition for skilled personnel in our market is intense and competition for experienced personnel may limit our ability to hire and retain highly qualified personnel on acceptable terms. Despite our efforts to retain valuable employees, members of our management, scientific and medical teams may terminate their employment with us on short notice. We have an employment agreement with only one of our employees, Alfred Altomari, our President and Chief Executive Officer. The employment agreement provides for at-will employment, which means that Mr. Altomari or any of our other employees could leave our employment at any time, with or without notice. The loss of the services of any of our executive officers or other key employees could potentially harm our business, operating results or financial condition. In particular, we believe that the loss of the services of Mr. Altomari, or Dr. Elizabeth Garner, our Chief Medical Officer, may have a material adverse effect on our business. We do not currently carry "key person" insurance on the lives of members of executive management. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level and senior managers as well as junior, mid-level and senior scientific and medical personnel.

Other pharmaceutical companies with which we compete for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than those that we have to offer. If we are unable to continue to attract and retain high-quality personnel, the rate of and success with which we can develop and commercialize product candidates would be limited.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of Twirla, if approved.

We face a potential risk of product liability as a result of the clinical testing of Twirla and will face an even greater risk if we commercialize Twirla, if approved or any other current or future product candidate. For example, we may be sued if any product candidate we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing,

marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of the product candidate subject to such claims. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- Decreased demand for Twirla or any future product candidates that we may develop;
- Injury to our reputation;
- Withdrawal of clinical trial participants;
- Costs to defend any related litigation;
- A diversion of management's time and our resources;
- Substantial monetary awards to trial participants or patients;
- Product recalls, withdrawals or labeling, marketing or promotional restrictions;
- Loss of revenue;
- The inability to commercialize Twirla, if approved;
- A decline in our stock price; and
- Exposure to adverse publicity.

Our inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of product candidates we develop. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts.

We may acquire businesses or products, or form strategic alliances in the future, and we may not realize the benefits of such acquisitions or alliances.

We may acquire additional businesses or products, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

Our business is affected by macroeconomic conditions.

Various macroeconomic factors could adversely affect our business and the results of our operations and financial condition, including changes in inflation, interest rates and foreign currency exchange rates, and overall economic conditions and uncertainties, including those resulting from political instability and the current and future conditions in the global financial markets. For instance, if inflation or other factors were to significantly increase our business costs, it may not be feasible to pass through price increases to patients. Interest rates, the liquidity of the credit markets and the volatility of the capital markets could also affect the value of our investments and our ability to liquidate our investments in order to fund our operations, if necessary.

Interest rates and the ability to access credit markets could also adversely affect the ability of patients, payors and distributors to purchase, pay for and effectively distribute our products if and when approved. Similarly, these macroeconomic factors could affect the ability of our current or potential future contract manufacturers, sole-source or single-source suppliers, or licensees to remain in business or otherwise manufacture or supply our product candidates. Failure by any of them to remain in business could affect our ability to manufacture product candidates.

We will incur significant increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance initiatives.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and the NASDAQ Global Market, impose various requirements on public companies, including requiring establishment and maintenance of effective disclosure controls and internal control over financial reporting and changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage as we currently have. We estimate that we will annually incur approximately $2.0 million in expenses in response to these requirements. We also estimate that the expenses we will incur in completing this offering, not including the underwriting discount, will be approximately $ million.

Section 404(a) of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, starting with the second annual report that we would expect to file with the SEC. However, for as long as we remain an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act. We may take advantage of these reporting exemptions until we are no longer an "emerging growth company." We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.0 billion or more; (ii) the last day of our fiscal year

following the fifth anniversary of the date of the completion of this offering; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. We will incur substantial accounting expense and expend significant management efforts to comply with internal control over financial reporting requirements. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. Moreover, if we are not able to comply with these requirements in a timely manner or if we or our independent registered public accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline, and we could be subject to sanctions or investigations by the NASDAQ Global Market, the SEC or other regulatory authorities, which would require additional financial and management resources.

Business interruptions could delay us in the process of developing our product candidates and could disrupt our sales.

Our headquarters are located in Princeton, New Jersey, and Corium, our contract manufacturer, is located in Grand Rapids, Michigan. We are vulnerable to natural disasters, such as severe storms and other events that could disrupt our or Corium's operations. We do not carry insurance for natural disasters and we may not carry sufficient business interruption insurance to compensate us for losses that may occur. Any losses or damages we incur could have a material adverse effect on our business operations.

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

Despite the implementation of security measures, our internal computer systems, and those of our CROs and other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our drug development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our product candidates could be delayed.

Our employees, independent contractors, principal investigators, CROs, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading, which could significantly harm our business.

We are exposed to the risk that employees, independent contractors, principal investigators, CROs, consultants, commercial partners and vendors may engage in fraudulent or other illegal activity, fraud or other misconduct. Misconduct by these parties could include intentional, reckless

or negligent conduct or disclosure of unauthorized activities to us that violates: (i) the law and regulations of the FDA and non-U.S. regulators, including those laws that require the reporting of true, complete and accurate information to the FDA and non-U.S. regulators, (ii) healthcare fraud and abuse laws and regulations in the United States and abroad and (iii) laws that require the true, complete and accurate reporting of financial information or data. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct in violation of these laws may also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We intend to adopt a code of conduct prior to completion of this offering, but it is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Our ability to use net operating loss and tax credit carryforwards and certain built-in losses to reduce future tax payments may be limited by provisions of the Internal Revenue Code, and may be subject to further limitation as a result of the transactions contemplated by this offering.

Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, contain rules that limit the ability of a company that undergoes an ownership change, which is generally any change in ownership of more than 50% of its stock over a three-year period, to utilize its net operating loss and tax credit carryforwards and certain built-in losses recognized in years after the ownership change. These rules generally operate by focusing on ownership changes involving stockholders owning, directly or indirectly, 5% or more of the stock of a company and any change in ownership arising from a new issuance of stock by the company. Generally, if an ownership change occurs, the yearly taxable income limitation on the use of net operating loss and tax credit carryforwards and certain built-in losses is equal to the product of the applicable long-term tax exempt rate and the value of the company's stock immediately before the ownership change. We may be unable to offset future taxable income, if any, with losses, or our tax liability with credits, before such losses and credits expire and therefore would incur larger federal income tax liability.

In addition, it is possible that the transactions described in this offering, either on a standalone basis or when combined with future transactions, will cause us to undergo one or more additional ownership changes. In that event, we generally would not be able to use our pre-change loss or credit carryovers or certain built-in losses prior to such ownership change to offset future taxable income in excess of the annual limitations imposed by Sections 382 and 383.

Risks Related to this Offering and Ownership of Our Common Stock

An active trading market for our common stock may not develop and you may not be able to resell your shares at or above the initial public offering price.

Prior to this offering, there has been no public market for shares of our common stock. Although we anticipate applying to list our common stock on NASDAQ Global Market, an active trading market for our shares may never develop or be sustained following this offering. The initial public offering price of our common stock will be determined through negotiations between us and the underwriters. This initial public offering price may not be indicative of the market price of our common stock after this offering. In the absence of an active trading market for our common stock, investors may not be able to sell their common stock at or above the initial public offering price or at the time that they would like to sell.

We expect that our stock price may fluctuate significantly.

Prior to this offering, you could not buy or sell our common stock publicly. An active public market for our common stock may not develop or be sustained after the completion of this offering. We will negotiate and determine the initial public offering price with the underwriters based on several factors. This price may vary from the market price of our common stock after this offering. You may be unable to sell your shares of common stock at or above the initial offering price. The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- Any delay in filing our response to the CRL received from the FDA with respect to Twirla and any adverse development or perceived adverse development with respect to the FDA's review of our response;
- Adverse results in our planned Phase 3 clinical trial for Twirla;
- Our failure to commercialize Twirla, if approved, or develop and commercialize additional product candidates;
- Unanticipated efficacy, safety or tolerability concerns related to the use of Twirla;
- Regulatory actions with respect to Twirla;
- Inability to obtain adequate product supply of Twirla or inability to do so at acceptable prices;
- Adverse results or delays in our clinical trials for our other product candidates;
- Changes in laws or regulations applicable to Twirla or any future product candidates, including but not limited to clinical trial requirements for approvals;
- Actual or anticipated fluctuations in our financial condition and operating results;
- Actual or anticipated changes in our growth rate relative to our competitors;
- Competition from existing products or new products that may emerge;
- Announcements by us, our collaborators or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;

- Failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- Issuance of new or updated research or reports by securities analysts;
- Fluctuations in the valuation of companies perceived by investors to be comparable to us;
- Share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- Additions or departures of key management or scientific personnel;
- Disputes or other developments related to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- Announcement or expectation of additional debt or equity financing efforts;
- Sales of our common stock by us, our insiders or our other stockholders; and
- General economic and market conditions.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, the stock market in general, and the NASDAQ Global Market and the stock prices of pharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. In the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management.

We may be subject to securities litigation, which is expensive and could divert management attention.

Our market price of our common stock may be volatile, and in the past companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could adversely impact our business. Any adverse determination in litigation could also subject us to significant liabilities.

Our existing principal stockholders, executive officers and directors own a significant percentage of our common stock and will be able to exert a significant control over matters submitted to our stockholders for approval.

Prior to this offering, our executive officers, directors, director nominees, holders of 5% or more of our capital stock and their respective affiliates together beneficially owned approximately 91.9% of our voting stock and, upon consummation of this offering, that same group will together hold approximately % of our outstanding voting stock, assuming no exercise of the underwriters' over-allotment option, no exercise of outstanding options and after giving effect to the issuance of shares in this offering.

This significant concentration of share ownership may adversely affect the trading price for our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. As a result, these stockholders, if they acted together, could significantly influence all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other business combination transactions. These stockholders may be able to determine all matters requiring stockholder approval. The interests of these stockholders may not always coincide with our interests or the interests of other stockholders. This may also prevent or discourage unsolicited acquisition proposals or offers for our common stock that other stockholders may feel are in their best interest and our large stockholders may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

Future sales of shares of our common stock by existing stockholders could cause our stock price to decline.

If our existing stockholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market after the 180-day contractual lock-up and other legal restrictions on resale discussed in this prospectus lapse, the trading price of our common stock could decline significantly and could decline below the initial public offering price. Based on shares outstanding as of December 31, 2013, and including the effect of the conversion of our convertible preferred stock and the net exercise of outstanding warrants to purchase shares of convertible preferred stock into shares of our common stock, upon the completion of this offering, we will have outstanding shares of common stock, assuming no exercise of outstanding options. Of these shares, assuming no shares are purchased in this offering by our existing stockholders, shares of common stock, plus any shares sold pursuant to the underwriters' option to purchase additional shares, will be immediately freely tradable, without restriction, in the public market. Our underwriters may, in their sole discretion, permit our officers, directors, employees and current stockholders to sell shares prior to the expiration of the lock-up agreements. Moreover, a relatively small number of our stockholders own large blocks of shares. We cannot predict the effect, if any, that public sales of these shares or the availability of these shares for sale will have on the market price of our common stock.

After the lock-up agreements pertaining to this offering expire and based on shares outstanding as of December 31, 2013 and including the effect of the conversion of our convertible preferred stock and the net exercise of outstanding warrants to purchase shares of convertible preferred stock into shares of our common stock, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus, an additional shares will be eligible for sale in the public market. In addition, the shares subject to outstanding options under our stock option plans and the shares reserved for future issuance under our stock option plans will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. Moreover, 180 days after the completion of this offering, holders of approximately million shares of our common stock will have the right to require us to register these shares under the Securities Act of 1933, as amended, or the Securities Act, pursuant to a registration rights agreement. If our existing stockholders sell substantial amounts of our common stock in the public market, or if the public perceives that such sales could occur, this could have

an adverse impact on the market price of our common stock, even if there is no relationship between such sales and the performance of our business.

We will have broad discretion in how we use the proceeds of this offering. We may not use these proceeds effectively, which could affect our results of operations and cause our stock price to decline.

We will have considerable discretion in the application of the net proceeds of this offering. We intend to use the majority of the net proceeds from this offering to conduct a Phase 3 clinical trial for Twirla, obtain marketing approval and begin preparations for the U.S. commercial launch of Twirla, complete the equipment validation and expansion of Corium's manufacturing capabilities, develop our product pipeline, begin making principal and interest payments on our term loan with Oxford beginning in February 2015 and for working capital and other general corporate purposes, which may include funding for the hiring of additional personnel, validation of capital equipment and the costs of operating as a public company. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the balance of the net proceeds of this offering. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

We are an "emerging growth company" and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an "emerging growth company." We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.0 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of this offering; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Our status as an "emerging growth company" under the JOBS Act may make it more difficult to raise capital as and when we need it.

Because of the exemptions from various reporting requirements allowed to us as an "emerging growth company" we may be less attractive to investors and it may be difficult for us to

raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. Commencing with our annual report on Form 10-K for the year ending December 31, 2014, we will be required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting that results in more than a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Section 404 of the Sarbanes-Oxley Act also generally requires an attestation from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. However, for as long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the independent registered public accounting firm attestation requirement.

Our compliance with Section 404 will require that we incur substantial accounting expense and expend significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge, and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting once that firm begin its Section 404 reviews, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the NASDAQ Global Market, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Upon consummation of this offering, we will become subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

We have never paid dividends on our common stock and we do not anticipate paying any dividends in the foreseeable future. Consequently, any gains from an investment in our common stock will likely depend on whether the price of our common stock increases.

We have not paid dividends on our common stock to date and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. Consequently, in the foreseeable future, you will likely only experience a gain from your investment in our common stock if the price of our common stock increases.

Investors in this offering will pay a higher price than the book value of our common stock.

If you purchase common stock in this offering, you will pay more for your shares than the amounts paid by existing stockholders for their shares. You will incur immediate and substantial dilution of $ per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering and an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus. In the past, we issued restricted stock, options and warrants to acquire common stock at prices significantly below the assumed initial public offering price. To the extent any outstanding options or warrants are ultimately exercised, you will sustain further dilution.

If equity research analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock will rely in part on the research and reports that equity research analysts publish about us and our business. We do not control these analysts. The price of our common stock could decline if one or more equity analysts downgrade our common stock or if analysts issue other unfavorable commentary or cease publishing reports about us or our business.

Anti-takeover provisions in our organizational documents and Delaware law may discourage or prevent a change of control, even if an acquisition would be beneficial to our stockholders, which could affect our stock price adversely and prevent attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation and amended and restated bylaws to be in effect upon completion of this offering contain provisions that could delay or prevent a change of control of our company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions:

- Authorize the issuance of preferred stock which can be created and issued by the board of directors without prior stockholder approval, with rights senior to those of our common stock;
- Provide for a classified board of directors, with each director serving a staggered three-year term;
- Prohibit our stockholders from filling board vacancies, calling special stockholder meetings or taking action by written consent;
- Provide for the removal of a director only with cause and by the affirmative vote of the holders of 75% or more of the shares then entitled to vote at an election of our directors;
- Require advance written notice of stockholder proposals and director nominations; and
- Require any action instituted against our officers or directors in connection with their service to the Company to be brought in the state of Delaware.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirors to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including a merger, tender offer or proxy contest involving our company. This provision could have the effect of delaying or preventing a change of control, whether or not it is desired by or beneficial to our stockholders. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

From time to time, in reports filed with the Securities and Exchange Commission (including this registration statement), in press releases and in other communications to stockholders or the investment community, we may provide forward-looking statements concerning possible or anticipated future results of operations or business developments. These statements are based on our management's current expectations or predictions of future conditions, events or results based on various assumptions and our management's estimates of trends and economic factors in the markets in which we are active, as well as our business plans. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "may," "should," and variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements may include, without limitation, statements regarding product candidate development, product candidate potential, regulatory environment, sales and marketing strategies, capital resources or operating performance. The forward-looking statements are subject to risks and uncertainties, which may cause results to differ materially from those set forth in the statements. Forward-looking statements in this registration statement should be evaluated together with the many uncertainties that affect our business and our market, particularly those discussed in the "Risk Factors" included elsewhere in this registration statement. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those projected. The forward-looking statements are representative only as of the date of this prospectus and except as required by law, we assume no responsibility to update any forward-looking statements, whether as a result of new information, future events or otherwise.

You should read this prospectus and the documents that we reference in this prospectus and have been filed as exhibits to the registration statement of which this prospectus is a part completely and with the understanding that our actual future results may be materially different from what we expect. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any issuance or sale of our common shares. Except as required by law, we do not assume any obligation to update any forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of our common stock that we are offering will be approximately $ million, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' overallotment option is exercised in full, we estimate that we will receive net proceeds of approximately $ million.

We intend to use the majority of the proceeds from this offering for commencement and completion of an additional Phase 3 clinical trial for Twirla, our lead product candidate.

The remainder of the proceeds will be used for:

- completion of the equipment validation and expansion of Corium's manufacturing capabilities;
- development of our product candidate pipeline, including Twirla line extensions;
- beginning in February 2015, making scheduled principal and interest payments on our outstanding term loan with Oxford Finance, LLC. For additional information related to this outstanding loan, including the interest rate and maturity, see "*Management Discussion and Analysis — December 2012 Loan Agreement*"; and
- working capital and general corporate purposes.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses of the net proceeds to be received upon the completion of this offering. The amounts and timing of our actual expenditures will depend on numerous factors, including the implementation of our manufacturing strategy, the status of our product candidate development efforts, our sales and marketing activities, the amount of cash generated or used by our operations, and competition. Accordingly, our management will have broad discretion in the application of the net proceeds and investors will be relying on the judgment of our management regarding the application of the net proceeds of this offering.

Until we use the net proceeds of this offering for the above purposes, we intend to invest the funds in short-term, investment-grade, interest-bearing securities. We cannot predict whether these investments will yield a favorable return.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the offering price or the number of shares by

these amounts would have a material effect on our uses of the proceeds from this offering, although it may accelerate the time at which we will need to seek additional capital.

DIVIDEND POLICY

We have not declared or paid any cash dividends on our capital stock since our inception. We currently anticipate that we will retain future earnings, if any, for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. As a result, we anticipate that only appreciation of the price of our common stock, if any, will provide a return to investors in this offering for at least the foreseeable future.

CAPITALIZATION

The following table describes our capitalization as of December 31, 2013:

- on an actual basis;
- on a pro forma basis to give effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock immediately prior to the closing of this offering, into an aggregate of shares of our common stock, (ii) the net exercise immediately prior to the closing of this offering of warrants to purchase shares of Series A-1 and Series A-2 convertible preferred stock that will subsequently be automatically converted into shares of common stock, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus and (iii) the automatic conversion of all outstanding warrants to purchase shares of Series C convertible preferred stock into warrants to purchase 25,002 shares of common stock; and
- on a pro forma as adjusted basis to also reflect the sale of shares of common stock by us in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus.

You should read this capitalization table together with our financial statements and the related notes appearing at the end of this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other financial information included in this prospectus.

	As of December 31, 2013		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(1)(2)
		(In thousands) (Unaudited)	
Convertible preferred stock, par value $0.0001 per share:			
Series A-1, 284,743 shares authorized, 137,787 shares issued and outstanding, actual; none authorized, issued or outstanding, pro forma and pro forma as adjusted	$ 898	$	$
Series A-2, 99,178 shares authorized, 66,116 shares issued and outstanding, actual; none authorized, issued or outstanding, pro forma and pro forma as adjusted	544		
Series B, 4,510,066 shares authorized, 4,510,066 shares issued and outstanding, actual; none authorized, issued or outstanding, pro forma and pro forma as adjusted	44,928		
Series C, 2,711,734 shares authorized, 1,578,400 shares issued and outstanding, actual; none authorized, issued or outstanding, pro forma and pro forma as adjusted	22,862		
Common stock, par value $0.0001 per share, 12,000,000 shares authorized, 78,086 shares issued and 73,954 shares outstanding, actual; shares authorized, shares issued and outstanding pro forma; and shares authorized, shares issued and outstanding pro forma as adjusted	1		
Additional paid-in capital	46,873		
Deficit accumulated during the development stage	(118,314)		
Total stockholders' (deficit) equity	(71,442)		
Total capitalization	$ (2,208)	$	$

(1) A $1.00 increase in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would decrease the number of shares of our common stock ultimately issuable upon expected net exercise of the outstanding warrants to purchase shares of convertible preferred stock, which would subsequently be automatically converted into shares of common stock, by shares. A $1.00 decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase the number of shares of our common stock ultimately issuable upon expected net exercise of the outstanding warrants to purchase shares of convertible preferred stock, which would subsequently be automatically converted into shares of common stock, by shares.

(2) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, would

increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The preceding table excludes:

- 831,158 of common stock issuable upon exercise of stock options outstanding as of December 31, 2013 at a weighted average exercise price of $4.81 per share;
- 25,002 shares of common stock issuable upon the exercise of outstanding warrants as of December 31, 2013 at an exercise price of $15.00 per share; and
- 279,592 shares of common stock available for future grant under our 2008 Equity Incentive Plan as of December 31, 2013.

DILUTION

The historical net tangible book value of our common stock as of December 31, 2013 was $(71.6) million, or $(968.16) per share, based on the number of shares of common stock outstanding as of December 31, 2013. Historical net tangible book value per share is determined by dividing our total tangible assets less total liabilities by the actual number of outstanding shares of our common stock. As of December 31, 2013, we had a pro forma net tangible book value of $ million or $ per share of common stock. Pro forma net tangible book value per share is equal to our total tangible assets less total liabilities, divided by the pro forma number of shares of our outstanding common stock, counting as outstanding the shares of common stock underlying all outstanding preferred stock, including the 1,578,400 shares of Series C convertible preferred stock, 4,510,066 shares of Series B convertible preferred stock, 137,787 shares of Series A-1 convertible preferred stock and 66,116 shares of Series A-2 convertible preferred stock issued as of December 31, 2013 and including shares of common stock underlying the shares of Series A-1 and A-2 convertible preferred stock issuable upon the net exercise of certain warrants to purchase shares of Series A-1 and A-2 convertible preferred stock, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of the prospectus. After giving effect to the issuance of shares of common stock offered hereby at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and our estimated offering expenses, our pro forma net tangible book value as adjusted as of December 31, 2013, will be approximately $, or approximately $ per pro forma share of common stock. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to new investors in this offering. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per share	$ (968.16)	
Increase attributable to the conversion of the convertible preferred stock		
Pro forma net tangible book value per share before this offering		
Increase per share attributable to new investors		
Pro forma net tangible book value per share after this offering		
Dilution per share to new investors		$

Dilution per share to new investors is determined by subtracting pro forma net tangible book value per share after this offering from the initial public offering price per share paid by a new investor. If any shares are issued in connection with outstanding options or the underwriters' over-allotment option, you will experience further dilution.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by $ million, the pro forma as adjusted net tangible book value per share after this offering by $ per share and the dilution in pro forma as adjusted net tangible book value to new investors in this offering by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting

discounts and commissions. We may also increase or decrease the number of shares we are offering. An increase of 1.0 million shares in the number of shares offered by us, together with a concurrent $1.00 increase in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (a) would increase our pro forma as adjusted net tangible book value as of December 31, 2013 by approximately $ million and (b) would also increase the pro forma as adjusted net tangible book value per share after this offering and the dilution in net tangible book value per share to new investors by $ and $, respectively, after deducting estimated underwriting discounts and commissions. Conversely, a decrease of 1.0 million shares in the number of shares offered by us together with a concurrent $1.00 decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (a) would decrease our pro forma as adjusted net tangible book value as of December 31, 2013 by approximately $ million and (b) would also decrease the pro forma as adjusted net tangible book value per share after this offering and the dilution in net tangible book value per share to new investors by $ and $, respectively, after deducting estimated underwriting discounts and commissions.

The following table summarizes, on a pro forma basis as of December 31, 2013, the difference between existing stockholders and the new investors with respect to the number of shares of common stock purchased, the total consideration paid and the average price per share paid. The table assumes that the initial public offering price will be $, which is the midpoint of the price range set forth on the cover page of this prospectus.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent %	Amount	Percent %	per Share
Existing stockholders			$		$
New investors					
Total		100%	$	100%	$

The share data in the table above is based on shares outstanding as of December 31, 2013, counting as outstanding the shares of common stock underlying all outstanding preferred stock, including the 1,578,400 shares of Series C convertible preferred stock, 4,510,066 shares of Series B convertible preferred stock, 137,787 shares of Series A-1 convertible preferred stock and 66,116 shares of Series A-2 convertible preferred stock outstanding as of December 31, 2013, and excludes:

- 831,158 shares of common stock issuable upon exercise of stock options outstanding as of December 31, 2013 at a weighted average exercise price of $4.81 per share;
- 25,002 shares of common stock available upon the exercise of outstanding warrants as of December 31, 2013 at an exercise price of $15.00 per share; and
- 279,592 shares of common stock available for future grant under our 2008 Equity Incentive Plan as of December 31, 2013.

If the underwriters' over-allotment option is exercised in full, the shares held by existing stockholders will decrease to % of the total number of shares of common stock outstanding after this offering, and the number of shares held by new investors will increase to , or %, of the total number of shares of common stock outstanding after this offering.

SELECTED FINANCIAL DATA

The following table summarizes our financial data. We have derived the following statement of operations data for the years ended December 31, 2012 and 2013 and the period from inception to December 31, 2013 and the balance sheet data as of December 31, 2012 and 2013 from our audited financial statements, included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Years ended December 31,		Period from Inception (December 22, 1997) to December 31, 2013
	2012	2013	
	(In thousands, except share and per share data)		
Statement of operations data:			
Operating expenses:			
Research and development	$ 17,387	$ 9,154	$ 86,218
General and administrative	5,930	3,574	26,344
Total operating expenses	23,317	12,728	112,562
Loss from operations	(23,317)	(12,728)	(112,562)
Total other income (expense)	57	(1,592)	(265)
Loss before benefit for income taxes	(23,260)	(14,320)	(112,827)
Benefit from income taxes	—	—	673
Net loss	(23,260)	(14,320)	(112,154)
Beneficial conversion charge	(600)	—	(6,160)
Net loss available to common shareholders	$ (23,860)	$ (14,320)	$ (118,314)
Weighted average basic and diluted common shares outstanding	28,227	35,347	
Loss per common share — basic and diluted	$ (845.29)	$ (405.14)	

	As of December 31,	
	2012	2013
	(In thousands)	
Balance sheet data:		
Cash and cash equivalents	$ 20,014	$ 2,120
Total assets	27,518	14,405
Total current liabilities	2,107	6,844
Long term debt, less current portion	14,787	9,770
Convertible preferred stock	69,233	69,233
Deficit accumulated during the development stage	(103,994)	(118,314)
Total shareholders' deficit	$ (58,608)	$ (71,442)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this prospectus, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Dollars in tabular format are presented in thousands, except per share data, or as otherwise indicated.

Overview

We are a women's health specialty pharmaceutical company focused on the development and commercialization of new prescription contraceptive products for women. Our product candidates are designed to provide women with contraceptive options that offer greater convenience and facilitate compliance. We have developed a proprietary transdermal patch technology, called Skinfusion, which is designed to provide advantages over currently available patches and is intended to optimize patch adherence, stability and patient acceptance. Our lead product candidate, Twirla, also known as AG200-15, is a once-weekly contraceptive patch currently in Phase 3 clinical development.

Since our inception in 1997, we have devoted substantial resources to developing Twirla, building our intellectual property portfolio, business planning, raising capital and providing general and administrative support for these operations. We incurred research and development expenses of $17.4 million and $9.2 million during the years ended December 31, 2012 and 2013, respectively. We anticipate that a significant portion of our operating expenses will continue to be related to research and development as we continue to develop Twirla and advance our pipeline of product candidates. To date, we have funded our operations primarily through sales of convertible preferred stock and convertible promissory notes, and a term loan. From inception through December 31, 2013, we had received net proceeds of approximately $121.2 million from such equity and debt sales and such term loan. As of December 31, 2012 and December 31, 2013, respectively, we had $20.0 million and $2.1 million in cash and cash equivalents.

We are a development stage company and have not generated any revenue. We have never been profitable and, from inception through December 31, 2013, our losses from operations have been $112.6 million. Our net loss was $23.9 million and $14.3 million for the years ended December 31, 2012 and 2013, respectively. We expect to incur significant expenses and increasing operating losses for the foreseeable future as we continue the development and clinical trials of, and seek regulatory approval for, Twirla and any other product candidates we advance to clinical development. If we obtain regulatory approval for Twirla, we expect to incur significant expenses in order to create an infrastructure to support the commercialization of Twirla, including sales, marketing and distribution functions.

Following the closing of this offering, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need additional financing to support our

continuing operations. We will seek to fund our operations through public or private equity or debt financings or other sources, which may include collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We will need to generate significant revenue to achieve profitability, and we may never do so.

Financial Operations Overview

Revenue

To date, we have not generated any revenue. In the future, we may generate revenue from product sales, license fees, milestone payments and royalties from the sale of products developed using our intellectual property. Our ability to generate revenue and become profitable depends on our ability to successfully commercialize Twirla and any product candidates that we may advance in the future. If we fail to complete the development of Twirla or any other product candidates we advance in a timely manner or obtain regulatory approval for them, our ability to generate future revenue, and our results of operations and financial position, will be adversely affected.

Research and Development Expenses

Since our inception, we have focused our resources on our research and development activities. Research and development expenses consist primarily of costs incurred for the development of Twirla and other current and future product candidates, which include:

- expenses incurred under agreements with contract research organizations, or CROs, and investigative sites that conduct our clinical trials and preclinical studies;
- employee-related expenses, including salaries, benefits, travel and stock-based compensation expenses;
- the cost of acquiring, developing and manufacturing clinical trial materials such as our product candidates;
- costs associated with research, development and regulatory activities; and
- facilities and other expenses such as insurance and supplies.

Research and development costs are expensed as incurred. Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information provided to us by our third party vendors.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We do not currently utilize a formal time allocation system to capture expenses on a project-by-project basis, as the majority of our past and planned expenses have been and will be in support of Twirla. We expect to increase our research and development expenses for the foreseeable future as we initiate further clinical trials.

To date, our research and development expenses have related primarily to the development of Twirla. For the years ended December 31, 2012 and 2013 our research and development expenses were approximately $17.4 million and $9.2 million, respectively. The following table summarizes our research and development expenses by functional area for the years ended December 31, 2012 and 2013.

	Year ended December 31,	
	2012	2013
	(In thousands)	
Clinical development	$ 2,337	$ 693
Regulatory	3,326	2,686
Personnel related	1,837	1,783
Manufacturing — commercialization	7,496	2,290
Manufacturing	2,042	840
Stock-based compensation	349	862
Total research and development expenses	$ 17,387	$ 9,154

It is difficult to determine with any certainty the duration and completion costs of our currently planned or future clinical trials of Twirla and any of our other current and future product candidates we may advance, or if, when or to what extent we will generate revenue from the commercialization and sale of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including the uncertainties of future clinical trials and preclinical studies, uncertainties in clinical trial enrollment rate and significant and changing government regulation. In addition, the probability of success for each product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time with respect to the development of that product candidate. We will determine which programs to pursue and how much to fund each program in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate's commercial potential.

General and Administrative Expenses

General and administrative expenses consist principally of salaries and related costs for personnel in executive, finance and administrative functions including stock-based compensation and travel expenses. Other general and administrative expenses include facility-related costs and professional fees for legal, patent review, consulting and accounting services. General and administrative expenses are expensed as incurred.

For the years ended December 31, 2012 and 2013, our general and administrative expenses totaled approximately $5.9 million and $3.6 million, respectively. We anticipate that our general and administrative expenses will increase in the future with the continued research, development and potential commercialization of Twirla and any of our other product candidates, and as we operate as a public company. These increases will likely include increased legal and accounting services, stock registration and printing fees, addition of new personnel to support compliance and communication needs, increased insurance premiums, outside consultants and investor relations.

Additionally, if in the future we believe regulatory approval of Twirla or any of our other product candidates appears likely, we anticipate that we would begin preparations for commercial operations, which would result in an increase in payroll and other expenses, especially as relates to the sales and marketing of our product candidates.

Emerging Growth Company Status

Under Section 107(b) of the Jumpstart Our Business Startups Act of 2012, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Critical Accounting Policies and Significant Judgments and Estimates

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

Our significant accounting policies are described in more detail in the notes to our financial statements appearing elsewhere in this prospectus. We believe the following accounting policies to be most critical to the judgments and estimates used in the preparation of our financial statements.

Accrued Research and Development Expenses

As part of the process of preparing our financial statements, we are required to estimate our accrued expenses, particularly for product development costs. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of services performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the

actual costs. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with service providers and make adjustments as necessary. Examples of estimated accrued research and development expenses include:

- fees paid to CROs in connection with clinical studies;
- fees paid to investigative sites in connection with clinical studies;
- fees paid to vendors in connection with preclinical development activities; and
- fees paid to vendors related to product manufacturing, development and distribution of clinical supplies.

We base our expenses related to clinical studies on our estimates of the services received and efforts expended pursuant to contracts with multiple CROs that conduct and manage clinical studies on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the clinical expense. Payments under some of these contracts depend on factors such as the successful enrollment of subjects and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed, enrollment of subjects, number of sites activated and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrued liability or prepaid expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in our reporting amounts that are too high or too low in any particular period. Based on historical experience, actual results have not been materially different from our estimates.

Warrant Liability

We account for detachable warrants to purchase convertible preferred stock as liabilities, as they are freestanding derivative financial instruments. The warrants are recorded as liabilities at fair value, estimated using a Black-Scholes option pricing model, and are subject to re-adjustment at each balance sheet date, otherwise known as marked to market, with changes in the fair value of the warrants recorded in our statements of operations.

Beneficial Conversion

When we issue a debt security that is convertible into preferred stock at a discount from the fair value of the preferred stock at the date the debt or equity security counterparty is legally committed to purchase such a security, or the commitment date, a beneficial conversion charge is measured and recorded on the commitment date for the difference between the fair value of our common stock and the effective conversion price of the convertible debt or equity security. If the intrinsic value of the beneficial conversion feature is greater than the proceeds allocated to the

convertible debt or equity security, the amount of the discount assigned to the beneficial conversion feature is limited to the amount of the proceeds allocated to the convertible debt or equity security. The amount allocated to the beneficial conversion feature is presented as a discount or reduction to the related debt security or as an immediate charge to earnings available to common stockholders.

Stock-Based Compensation

We measure the cost of services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost of such award is recognized over the period during which services are provided in exchange for the award, generally the vesting period.

Described below is the methodology we have used in measuring stock-based compensation expense. For any stock option grants occurring after the consummation of this offering, stock option values will be determined based on the quoted market price of our common stock, at the time of grant.

We have applied the fair value recognition provisions of Financial Accounting Standards Board Accounting Standards Codification, or ASC, 718 "Accounting for Stock Based Compensation," which we refer to as ASC 718. Determining the amount of stock-based compensation to be recorded requires us to develop estimates of the fair value of stock options as of their grant date. Compensation expense is recognized, on a straight-line basis, over the vesting period of the award. We use the Black-Scholes option pricing model to value our stock option awards. Use of this valuation methodology requires that we make assumptions as to the price volatility of our common stock, the expected term of our stock options, the risk-free interest rate for a period that approximates the expected term of our stock options and our expected dividend yield. Many of these assumptions are highly subjective. Prior to the consummation of this offering, we were a privately-held company, and therefore, we utilized data from several peer companies to estimate expected stock price volatility. We utilized a dividend yield of zero based on the fact that we had never paid cash dividends and had no current intention to pay cash dividends. The risk-free interest rate used for each grant was based on the U.S. Treasury yield curve in effect at the time of grant for instruments with a similar expected life.

The following table summarizes the weighted average assumptions we used in our Black-Scholes calculations:

	Year ended December 31,	
	2012	**2013**
Risk-free interest rate	0.80%	1.73%
Expected dividend yield	0%	0%
Expected volatility	105.2%	104.8%
Expected term (years)	6.25	6.25

We record stock-based compensation expense as a component of research and development expenses or general and administrative expenses. For the years ended December 31, 2012 and 2013 we allocated stock-based compensation as follows:

	Year ended December 31,	
	2012	2013
	(In thousands)	
Research and development	$ 349	$ 862
General and administrative	316	476
Total	$ 665	$ 1,338

As there has been no public market for our common stock to date, the estimated fair value of our common stock has been determined contemporaneously by our board of directors based upon valuation information provided to them. All options to purchase shares of our common stock have been granted with an exercise price per share no less than the fair value per share of our common stock underlying those options on the date of grant, based on the information known to us on the date of grant.

In the absence of a public trading market for our common stock, on each grant date, we develop an estimate of the fair value of our common stock in order to determine an exercise price for the option grants based in part on input from an independent third-party valuation. We determined the fair value of our common stock using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants, or AICPA, Audit and Accounting Practice Aid Series: *Valuation of Privately Held Company Equity Securities Issued as Compensation*, or the AICPA Practice Guide. In addition, our board of directors considered various objective and subjective factors, along with input from management, to determine the fair value of our common stock, including external market conditions affecting the pharmaceutical industry, trends within the pharmaceutical industry, the prices at which we sold shares of our different series of preferred stock, the superior rights and preferences of each series of preferred stock relative to our common stock at the time of each grant, our results of operations and financial position, the status of our research and development efforts, our stage of development and business strategy, the lack of an active public market for our common and our preferred stock, and the likelihood of achieving a liquidity event such as an initial public offering or sale of our company in light of prevailing market conditions.

Key variables used in applying the option pricing method are as follows:

- the prices of our convertible preferred stock sold to or exchanged between outside investors in arm's length transactions and the rights, liquidation preferences and privileges included in the convertible preferred stock as compared to those of our common stock;
- volatility — we estimated volatility based on comparison to volatility of publicly-traded comparable companies;
- time to liquidity — we estimated time to a liquidity event based on the forecasted time to reach significant clinical development or regulatory events for Twirla that we believed could lead to an initial public offering or other type of liquidation event for our stockholders;

- risk-free interest rate — we determined the risk-free interest rate based on the yield of a U.S. Treasury bill with a maturity date closest to the estimated time to a liquidation event for our stockholders; and

- discounts for lack of marketability — because we were a privately held company at the time of the valuations, shares of our common stock were illiquid and, as such, warranted a discount in value from their estimated "marketable" price. We estimated the discount factor for illiquidity using legal guidelines from U.S. Tax Court cases regarding privately-held business valuations, fundamental business factors and empirical studies on the discount for lack of marketability. We corroborated the discount factor based on the value of a put option compared to the value of common stock using a Black-Scholes option pricing model.

Under ASC 718, we are required to estimate the level of forfeitures expected to occur and record compensation expense only for those awards that we ultimately expect will vest. The per share estimated fair value of common stock in the table below represents the determination by our board of directors of the fair value of our common stock as of the date of grant, taking into consideration the various objective and subjective factors described above, including the conclusions, if applicable, of contemporaneous valuations of our common stock as discussed below. The following table presents the grant dates, number of underlying shares and related exercise prices of stock options granted between January 1, 2012 and December 31, 2013, along with the fair value per share used to calculate stock-based compensation expense pursuant to our 2008 Equity Incentive Plan:

Date of grant	Number of shares underlying option grants	Exercise price per option	Per share estimated fair value of option
December 6, 2012	494,611	$ 6.13	$ 5.00
October 1, 2013	19,667	$ 6.13	$ 5.04

For the valuation of stock options granted on the dates noted above, we used a combination of the Option Pricing Model, or OPM, and of the probability-weighted expected return method, or PWERM, which we refer to as the hybrid method. The OPM treats the rights of the holders of preferred and common shares as equivalent to that of call options on any value of the enterprise above certain break points of the value based upon the liquidation preferences of the holders of preferred shares, as well as their rights to participation and conversion. The value of the common stock can be determined by estimating the value of its portion of each of these call rights. Under the PWERM, the value of a company's common stock is estimated based upon an analysis of value for the company assuming a merger or sale as the only possible future event. The per share value of the common stock is based upon the probability-weighted present value of expected future equity values, under each of the possible future event scenarios, as well as the rights and preferences of each share class.

The OPM method sets the implied price of the most recent round of preferred stock to its original issuance price, and then calculates our implied equity value. The implied equity value is then used to calculate the value per common share. The values derived from the OPM method

are then used to determine an initial estimated equity value. We then used an option-pricing model to allocate the calculated equity value between the shares of preferred stock and common stock outstanding, including estimated liquidation payments to the preferred stockholders for all series of preferred stock. A discount was then applied to reach the final valuation of the common stock based on the fact that, inasmuch as we were a private company, there were impediments to liquidity, including lack of publicly available information and the lack of a trading market. The discount was determined after considering a number of empirical studies related to discounts for lack of marketability and by using a protective put option model that considered such variables as an estimated time to liquidity of 1.5 years, estimated volatility of 72.0%, expected dividend yield of 0% of the underlying stock and a risk-free rate of 0.2%. In addition, the current restrictions on the marketability of our common stock were considered. We estimated a 30.0% discount for the lack of marketability.

In order to estimate the investment return for the merger or sale scenario, a range of future equity values is estimated over a range of possible event dates, all plus or minus a standard deviation for value and timing. The rights and preferences of each shareholder class are considered in order to determine the appropriate allocation of value to common shares. The value of each common share is then multiplied by a discount factor derived from the calculated discount rate and the expected timing of the merger or sale. A risk-adjusted discount rate is applied, as the probability weightings in the PWERM address the success rates of each scenario. The value per common share, taking into account sensitivities to the timing of the merger or sale, is then multiplied by an estimated probability for the merger or sale. A probability-weighted value per share of common stock is then determined.

For the stock option grants noted above, we estimated the fair value of our common stock by assigning an 65.0% weighting to the estimated fair value using the OPM back-solve method and a 35.0% weighting to the estimated fair value under the merger or sale scenario. We believe that the 65.0% weighting on the OPM back-solve method is appropriate due to the proximity of the issuance of our Series C preferred stock in July 2012 to the valuation date and the fact that the issuance included and was led by a new investor. The 35.0% weighting for the merger or sale scenario was deemed appropriate because at the time of the valuation, we believed that there was the possibility of a sale or merger following the then-anticipated approval of Twirla.

There is inherent uncertainty in our forecasts and projections and, if we had made different assumptions and estimates than those described previously, the amount of our stock-based compensation expense, net loss and net loss per share amounts could have been materially different.

Results of Operations

Comparison of Years Ended December 31, 2012 and 2013

	Year ended December 31,		
	2012	2013	Change
	(In thousands)		
Operating expenses:			
Research and development	$ 17,387	$ 9,154	$ (8,233)
General and administrative	5,930	3,574	(2,356)
Total operating expenses	23,317	12,728	(10,589)
Other income (expenses)			
Interest expense	(140)	(1,513)	1,373
Interest income	26	2	(24)
Change in fair value of warrants	171	(81)	(252)
Loss before income taxes	(23,260)	(14,320)	(8,940)
Income tax provision (benefit)	—	—	—
Net loss	(23,260)	(14,320)	(8,940)
Deemed dividend / beneficial conversion	(600)	—	600
Net loss attributable to common stockholders	$ (23,860)	$ (14,320)	$ (9,540)

Research and development expenses Research and development expenses decreased by $8.2 million, or 47%, from $17.4 million for the year ended December 31, 2012 to $9.2 million for the year ended December 31, 2013. This decrease in research and development expense was primarily due to the following:

- a decrease in manufacturing related commercialization expenses of $5.2 million. During 2012, we paid our contract manufacturer $3.5 million toward the renovation of a dedicated facility for the manufacture of Twirla, and there were no comparable payments in 2013. In addition, payments for labor and materials decreased from approximately $3.9 million in 2012 to approximately $1.5 million in 2013, as the renovation of the facility was completed during 2013 and equipment was delivered during 2013. These decreases were partially offset by an increase in idle and other facility charges of $0.7 million;

- a decrease in clinical development expenses of $1.6 million primarily related to the completion of our Phase 3 clinical trials of Twirla in early 2012. No clinical trials for Twirla or any of our other product candidates were conducted in 2013;

- a decrease in manufacturing related costs of $1.2 million reflecting primarily a decrease in consulting costs associated with the filing of our New Drug Application, or NDA, as well as decreased material and labor costs;

- a decrease in regulatory expenses of $0.6 million. The regulatory expenses for 2012 include consulting and NDA preparation fees as well as our Prescription Drug User Fee Act, or PDUFA, filing fee of approximately $1.8 million. Regulatory expenses for 2013 reflect the

decrease in NDA preparation consulting and filing fees, offset, in part, by increased legal fees associated with preparing a response to the CRL we received from the FDA; and

- these decreases were offset in part by an increase in stock-based compensation expense of $0.5 million as a result of the increased fair value of non-employee stock options.

General and administrative expenses General and administrative expenses decreased by $2.4 million, or 40%, from $5.9 million for the year ended December 31, 2012, to $3.6 million for the year ended December 31, 2013. This decrease was attributable to a decrease in commercial development costs of $1.4 million and a decrease in professional fees of $1.1 million. The decrease in commercial development expenses was primarily attributable to market research studies conducted in 2012 for which no comparable studies were conducted in 2013. The decrease in professional fees was related to our overall effort to reduce spending for legal, consulting and other professional fees.

Interest expense Interest expense is primarily attributable to our term loan with Oxford Finance LLC, or Oxford. Interest expense also includes the accretion of the value of the Series C preferred stock warrants issued to Oxford and the amortization of the deferred financing costs associated with the term loan. Interest expense increased by $1.4 million, or 980%, from $140,000 for the year ended December 31, 2012 to $1.5 million for the year ended December 31, 2013. The increase is due to our payment of a full year of interest associated with the term loan with Oxford in 2013, compared to our payment of only less than one month of interest expense in 2012.

Interest income Interest income is comprised of interest income earned on cash and cash equivalents.

Change in fair value of warrants Certain of the warrants to purchase our preferred stock are recorded at fair value and are subject to re-measurement at each balance sheet date. These liabilities are re-measured at each balance sheet date with the corresponding change recorded within the change in fair value of warrant liability. The fair value of the convertible preferred stock warrants is determined using the Black-Scholes option pricing model which incorporates a number of assumptions and judgments to estimate the fair value of these warrants including the fair value per share of the underlying stock, the remaining contractual term of the warrants, risk-free interest rate, expected dividend yield, credit spread and expected volatility of the price of the underlying stock. During the year ended December 31, 2013, the fair value of our derivative liabilities changed by $0.2 million as a result of the value of our preferred stock warrant derivative liabilities increasing primarily due to the change in fair value of the underlying stock.

Net Operating Losses and Tax Carryforwards

As of December 31, 2013, we had approximately $108.4 million of federal and state net operating loss carryforwards. We also potentially have federal and state research and development tax credits which would offset future taxable income. We have not completed a study to assess whether an ownership change has occurred, or whether there have been multiple ownership changes since our inception, due to the significant costs and complexities associated with such studies. Accordingly, our ability to utilize the aforementioned carryforwards may be limited. Additionally, U.S. tax laws limit the time during which these carryforwards may be utilized against future taxes. As a result, we may not be able to take full advantage of these carryforwards for

federal and state tax purposes. As of December 31, 2013, all of our net operating losses were fully offset by a valuation allowance.

Liquidity and Capital Resources

We have funded our operations since inception through the issuance of convertible preferred stock and convertible promissory notes and, to a lesser extent, through a term loan and government grants. As of December 31, 2013, we had raised a total of $121.2 million from such sales of our equity securities and debt instruments, as well as our term loan.

At December 31, 2013, we had cash and cash equivalents totaling $2.1 million. We invest our cash equivalents in highly liquid, interest-bearing investment-grade and government securities in order to preserve principal.

The following table sets forth the primary sources and uses of cash for the years ended December 31, 2012 and 2013:

	Year ended December 31,	
	2012	2013
	(In thousands)	
Cash used in operating activities	$ (22,968)	$ (13,019)
Cash used in investing activities	$ (6,693)	$ (4,945)
Cash provided by financing activities	$ 40,113	$ 70
Net increase (decrease) in cash and cash equivalents	$ 10,452	$ (17,894)

Operating Activities

We have incurred significant costs in the area of research and development, including CRO fees, manufacturing, regulatory and other clinical trial costs, as our primary product candidate Twirla was being developed. With the planned initiation of an additional Phase 3 clinical trial in 2014, clinical development expenses are expected to increase as compared to 2013. Net cash used in operating activities was $23.0 million for the year ended December 31, 2012 and consisted primarily of a net loss of $23.3 million which was offset, in part, by non-cash stock based compensation expense of $0.7 million. Net cash used in operating activities was $13.0 million for the year ended December 31, 2013 and consisted primarily of a net loss of $14.3 million which was offset, in part, by non-cash stock based compensation expense of $1.3 million.

Investing Activities

Net cash used in investing activities for the years ended December 31, 2012 and 2013 was $6.7 million and $4.9 million, respectively. Cash used in investing activities represents the acquisition of equipment to be used in the commercialization of Twirla.

Financing Activities

Net cash provided by financing activities was $40.1 million for the year ended December 31, 2012 which included (i) net proceeds of $22.9 million from the issuance of 1,578,400 shares of our Series C preferred stock, (ii) net proceeds of $14.8 million from a term loan and (iii) net proceeds

of $2.5 million from the issuance of 253,999 shares of our Series B preferred stock. Net cash provided by financing activities was $70,000 for the year ended December 31, 2013 resulting from the exercise of stock options.

Funding Requirements and Other Liquidity Matters

Twirla is still in clinical development. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- seek marketing approval for Twirla;
- establish a sales and marketing infrastructure to commercialize Twirla in the United States, if approved;
- seek to identify additional line extensions for Twirla;
- maintain, leverage and expand our intellectual property portfolio; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and future commercialization efforts.

We expect that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditures requirements through the first quarter of 2016. We have based this estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of Twirla, if approved, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the development of Twirla. Our future capital requirements will depend on many factors, including:

- the costs, timing and outcome of regulatory review of Twirla, including for the additional Phase 3 trial for Twirla;
- the costs of future commercialization activities, including product sales, marketing, manufacturing and distribution, for Twirla, if approved;
- the revenue, if any, received from commercial sales of Twirla, if approved; and
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with pharmaceutical partners, we may have to relinquish valuable rights to

our technologies, future revenue streams, research programs or product candidates, including Twirla, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market Twirla that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of December 31, 2013 that will affect our future liquidity:

	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
			(In thousands)		
Term loan	$ 15,000	$ 5,105	$ 9,895	—	—
Operating lease	308	159	149	—	—
Total	$ 15,308	$ 5,264	$ 10,044	—	—

Our operating lease commitment relates to our lease of office space in Princeton, New Jersey. This lease expires in November 2015, however, we have the option to extend the term of the lease for an additional three years.

Legal Proceedings

In the ordinary course of business, we may be subject from time to time to various proceedings, lawsuits, disputes or claims. We do not believe there are currently any such actions that, if resolved unfavorably, would have a material impact on our financial condition, results of operations or cash flows.

December 2012 Loan Agreement

In December 2012, we entered into a loan and security agreement with Oxford, pursuant to which we borrowed a total of $15.0 million from Oxford. The term loan accrues interest at a fixed annual rate equal to 9.2% (three month U.S. Libor rate of 0.47% plus 8.73%).

Under the terms of the original term loan, interest was payable monthly and principal was due in 30 equal consecutive monthly installments which were to begin on February 1, 2014 and end on July 1, 2016. In addition, we were required to make a final payment of $675,000 on the original maturity date of the term loan of July 1, 2016.

We may prepay all, but not less than all, of the term loan subject to a prepayment premium of 2.0% of the outstanding principal during the first 24 months of the term loan. From months 25 to loan maturity the prepayment premium is 0.75% of the outstanding principal. Our obligations under the term loan are secured with a blanket lien on all of our assets, excluding intellectual property assets. The term loan provides that, upon the occurrence of certain events of default, our obligations under the term loan may be automatically accelerated, whereupon our obligations shall be immediately due and payable.

In connection with the term loan, we issued to Oxford warrants to purchase 25,002 shares of Series C preferred stock at $15.00 per share. These warrants are exercisable for seven years from the date of issuance.

We account for the warrants as a liability and carry them at fair value. These warrants are marked to market at each reporting date with a corresponding change recognized in our statements of operations.

In January 2014, we amended our loan agreement with Oxford whereby the interest-only period was extended for three months through April 2014. The interest-only period may be extended for an additional three months through July 2014 should we receive cash proceeds of not less than $3.0 million from the sale of unsecured subordinated convertible debt or equity securities before May 1, 2014.

The interest-only period may be further extended for an additional six months through January 2015 should we receive cash proceeds of not less than $45.0 million from the sale of equity securities in a private placement or an initial public offering before August 1, 2014.

The maturity date of the loan will also be extended, to July 1, 2017, if we complete the sale of equity securities of not less than $45.0 million in a private placement or an initial public offering before August 1, 2014.

In connection with the amendment to the loan agreement we have agreed to pay Oxford a total of $150,000, of which $75,000 is due upon the closing of certain qualified financings and the remaining $75,000 is due upon the earlier of an initial public offering or loan maturity.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules, such as relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheets.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. These market risks are principally limited to interest rate fluctuations.

We had cash and cash equivalents of $20.0 million and $2.1 million at December 31, 2012 and 2013, respectively, consisting primarily of funds in cash and money market accounts. The primary objective of our investment activities is to preserve principal and liquidity while maximizing income without significantly increasing risk. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of our investment portfolio, we do not believe an immediate 10.0% increase in interest rates would have a material effect on the fair market value of our portfolio, and accordingly we do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

BUSINESS

Overview

We are a women's health specialty pharmaceutical company focused on the development and commercialization of new prescription contraceptive products. Our product candidates are designed to provide women with contraceptive options that offer greater convenience and facilitate compliance. We have developed a proprietary transdermal patch technology, called Skinfusion, which is designed to provide advantages over currently available patches and is intended to optimize patch adherence, stability and patient acceptance. Our lead product candidate, Twirla, also known as AG200-15, is a once-weekly prescription contraceptive patch currently in Phase 3 clinical development. The U.S. hormonal contraceptive market, with total market sales of $5.6 billion in 2013, represents the greatest opportunity for Twirla. Over half of those sales were generated by branded products. Currently, there is only one other contraceptive patch available in the United States, and we believe it has limitations due to its dose and physical characteristics. Twirla is designed to address these limitations. We believe there is an unmet market need for a low-dose contraceptive patch, which is designed to increase patient convenience and compliance in a non-invasive fashion.

Twirla is a combined hormonal contraceptive, or CHC, patch that contains the active ingredients ethinyl estradiol, or EE, which is a form of the hormone estrogen, and levonorgestrel, or LNG, which is a type of progestin, both of which have an established history of efficacy and safety in currently marketed combination low-dose, oral contraceptives. Twirla is designed using our proprietary Skinfusion technology to consistently deliver both hormones over a seven-day period at levels comparable to currently marketed low-dose oral contraceptives. By delivering these active ingredients over seven days, in a comfortable, convenient and easy-to-use weekly patch, Twirla is designed to promote enhanced patient compliance. The patch is applied once weekly for three weeks, followed by a week without a patch. If approved, Twirla will be packaged with three patches per carton to provide for one 28-day cycle of therapy.

We have conducted a comprehensive clinical program enrolling over 2,100 women in Phase 1, Phase 2 and Phase 3 trials, over 1,500 of whom received Twirla. In the larger of our two completed Phase 3 trials, 485 women received Twirla for 12 months. In Phase 1 and Phase 2 clinical trials, we demonstrated that Twirla delivers levels of both EE and LNG to the blood stream that are consistent with current low-dose oral contraceptives. In our two completed Phase 3 clinical trials that enrolled over 1,900 women in the aggregate for up to 12 months, we demonstrated that Twirla generally had comparable efficacy and tolerability to an approved low-dose oral contraceptive. Across all clinical trials, Twirla was generally well tolerated and had a favorable safety profile.

We have filed a Section 505(b)(2) New Drug Application, or NDA, for approval of Twirla by the FDA, which is required before marketing a new drug in the United States. A Section 505(b)(2) NDA relies in part on clinical trials that we conducted, and in part on third-party findings of safety and efficacy for the active ingredients for which we have not obtained a right of reference or which have been established in the scientific literature in the public domain. The FDA has indicated in a Complete Response Letter, or CRL, that our NDA was not sufficient for approval as originally submitted. After multiple communications with the FDA, we have received significant guidance as to what additional clinical development and other activities need

to be completed prior to approval. In accordance with the FDA's advice and comments, we are preparing to conduct an additional Phase 3 clinical trial and we expect to enroll our first subject in the third quarter of 2014. Based on the guidance that we received from the FDA, we believe that this additional trial will address all of the clinical issues raised in the CRL. Following completion of this additional Phase 3 clinical trial, we will respond to the CRL and supplement our NDA with the results of the trial.

We intend to commercialize Twirla in the United States, if approved, through a direct sales force. Obstetricians and gynecologists, or ObGyns, contribute nearly 50% of the U.S. contraception prescription volume, and Nurse Practitioners and Physician Assistants, or NP/PAs, who are often affiliated with an ObGyn practice, contribute an additional 23% of the U.S. prescriptions. We believe that we can address this market with a specialty sales force of approximately 70 to 100 representatives. We also intend to augment our sales force through digital marketing and other techniques to market directly to patients.

Our Skinfusion technology makes Twirla the first patch capable of delivering a contraceptive dose of LNG across the skin, allowing weekly application using a patch that is soft and flexible and is designed to adhere well with low levels of skin irritation. We, along with Corium International, Inc., or Corium, our manufacturing partner, have made a significant investment in a proprietary process to manufacture Twirla. We believe we have developed a robust process to reliably manufacture Twirla on a commercial scale. The materials produced for our clinical trials were manufactured on the same equipment that we could use for our commercial-scale manufacturing, although we may request expansion of our manufacturing capacity in the future if Twirla is approved. We believe that the technical challenges and know-how involved in manufacturing, including proprietary chemistry, production to scale and use of custom equipment and reproducibility, present significant barriers to entry for other pharmaceutical companies who might potentially want to replicate our Skinfusion technology.

Our intellectual property represents an additional barrier to potential competitors. We have five issued U.S. patents which cover Twirla that we intend to list in the Orange Book, the last of which expires in 2028. In addition, we continue to prosecute additional patent applications relating to Twirla, as well as our other product candidates, both in the United States and internationally. The intellectual property behind all of our product candidates in the pipeline and our Skinfusion technology consists of patent families developed and wholly-owned by us. There are no royalties or payments owed to third parties on our Skinfusion technology or any of our product candidates.

In addition to Twirla, we are developing a pipeline of other new transdermal contraceptive products, including AG200-ER, which is a regimen designed to allow a woman to extend the length of her cycle, AG200-SP, which is a regimen designed to provide a shortened hormone-free interval, and AG890, which is a progestin-only contraceptive patch intended for use by women who are unable or unwilling to take estrogen.

Background

Hormonal Contraception Overview

A woman is biologically capable of pregnancy from the time of her first menstrual cycle, at the average age of 12.6 years, to natural menopause, at the average age of 51.3 years. This is nearly half of a typical woman's lifespan and, for the typical woman, the majority of this time

frame is spent trying to avoid pregnancy or is characterized by no desire to become pregnant. Nearly half of the pregnancies that occur each year in the United States are unplanned. The United States was the first country to approve a hormonal contraceptive, with the approval of the first contraceptive pill in 1960. The latest data from 2006 to 2008 from the Centers for Disease Control, or CDC, indicate that approximately 25% of women aged 15 to 44 use some form of hormonal contraception, which amounts to approximately 15 million U.S. women.

Hormonal contraceptives are composed of synthetic estrogens and progestins. Contraceptives containing both estrogen and a progestin are referred to as CHCs, and contraceptives containing only progestin are referred to as P-only. There are three synthetic estrogens approved for use in contraceptive products: EE, mestranol and estradiol valerate. EE has been available for over 40 years and is the estrogen component in nearly all CHCs today. There are 10 different progestins that have been used in contraceptives sold in the United States. The progestin component provides most of the contraceptive effect, while the estrogen component primarily provides cycle control, for example, minimizing bleeding or spotting between cycles. The progestin exerts its contraceptive effect by inhibiting ovulation, or release of an egg from the ovary, and by thickening cervical mucus. Thickening cervical mucus helps to prevent sperm entry into the upper genital tract. The estrogen component, in addition to providing cycle control, makes a small contribution to contraception by decreasing the maturation of the egg in the ovary.

Hormonal contraceptives are generally well-tolerated and are generally safer than pregnancy. A risk associated with hormonal contraceptives is a rare but serious adverse event called venous thromboembolism, or VTE, which involves the formation of a blood clot in a vein. VTEs can be life-threatening, and typically present as either deep vein thrombosis or pulmonary embolism. Evidence supports that the increased risk of VTE in CHC users is dependent upon the estrogen dose and duration of use. Estrogen increases formation of clotting factors in the liver and decreases production of elements that promote breakdown of blood clots. Most experts believe that progestins on their own have minimal to no impact on the clotting system, but some progestins, when combined with estrogen, can increase estrogen's effect on the clotting system. The likelihood of a woman spontaneously developing a VTE is extremely low and the use of combination oral contraceptives, or COCs, increases the incidence only slightly, and less than pregnancy. For example, the incidence of VTE in a non-pregnant woman who does not use a COC ranges from 1 to 5 cases per 10,000 woman-years, or WY. Among COC users, the incidence ranges from 3 to 12 cases per 10,000 WY. One WY is one woman using a contraceptive for one year, which is either 12 months or 13 cycles. However, in pregnancy the incidence of VTE increases to 5 to 20 cases per 10,000 WY and in the 12 weeks following delivery the incidence ranges from 40 to 65 cases per 10,000 WY.

The available progestins are commonly categorized into generations, based on their history of introduction in the United States. The first and second generation progestins, including LNG, have been available in contraceptive formulations in the United States for over 25 years. The third and fourth generation progestins, for example desogestrel and drosperinone, respectively, were introduced to reduce androgenic side effects, such as oily skin and acne. Epidemiologic data suggest that CHCs containing third and fourth generation progestins are associated with an increased risk of VTE as compared to those containing the second generation progestin, LNG.

Effectiveness of Hormonal Contraceptives

For the purpose of FDA approval, contraceptive effectiveness is measured by a calculation called the Pearl Index, or PI. The PI is a measure of the rate of pregnancies over a specific period of time in a clinical trial, and is expressed as the number of pregnancies per 100 WY of use. Each cycle lasts 28 days, so there are approximately 13 cycles in one year. According to FDA guidance, the PI calculation includes all pregnancies, but only includes cycles where the woman indicates that she engaged in sexual activity and did not use backup contraception, such as a condom, and where she has completed a study diary. The PI values from clinical trials are affected by several factors, including differences in study design, increased sensitivity of early pregnancy tests, weight and body mass index, or BMI, of the study population, user experience and inconsistent or incorrect use of the contraceptive method.

The contraceptive failure rates in clinical trials are generally lower than those seen once a CHC is approved and in use by a broad population, referred to as typical use, without the close monitoring of a clinical trial setting. There is a large difference in pregnancy rates under conditions of perfect use, where the method is used following the directions exactly, and typical use. For example, for CHCs, including oral contraceptives, the vaginal ring and the transdermal patch, the percent of women experiencing an unintended pregnancy during the first year of use is 0.3% for perfect use and 9.0% for typical use.

U.S. Hormonal Contraceptive Market Background

Contraceptive methods, other than sterilization, can be divided into non-hormonal and hormonal alternatives. Non-hormonal products available in the United States include the diaphragm, male condom and female condom. There are several categories of hormonal contraception products available in the United States, including:

- oral contraceptives;
- one vaginal ring;
- one transdermal patch;
- intrauterine contraceptive devices, or IUDs;
- subcutaneous implants; and
- injectables.

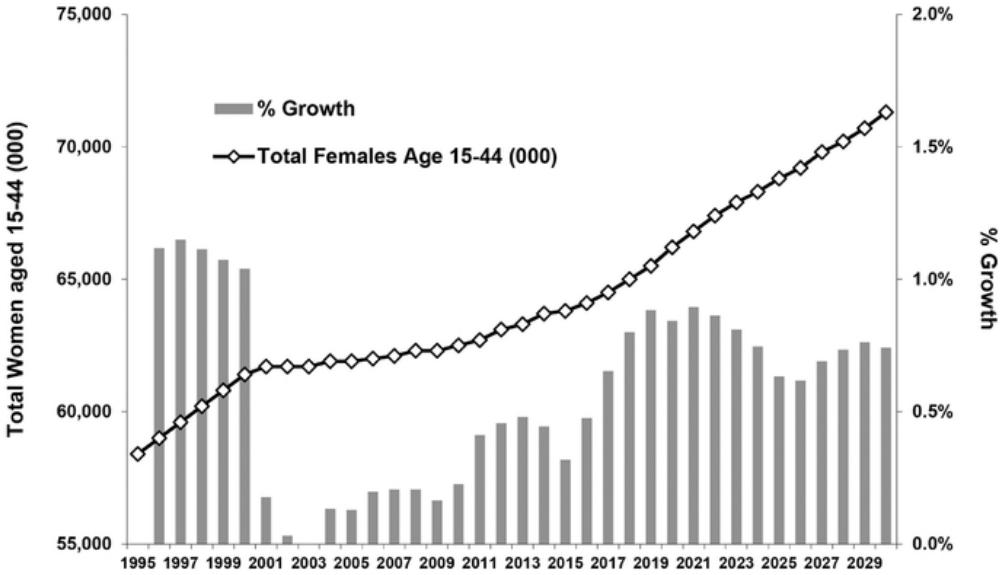
The U.S. hormonal contraceptive market recorded annual sales in 2013 of $5.6 billion, according to IMS Health. The CHC portion of the market, consisting of pills, a transdermal patch and a vaginal ring, generates significantly greater prescription volume and sales compared to the P-only portion of the market, consisting of IUDs, injectables, implants, and P-only pills. In 2013, IMS Health reported total U.S. sales of $4.2 billion for the CHC market and $1.4 billion for the P-only market. Twirla is a CHC and, if approved, we believe it will compete primarily with products in the CHC market.

The U.S. hormonal contraceptive market is a mature market, with many branded and generic products available. Historically, the market growth was flat to declining as measured by prescription volume. However, recently the CHC market has seen prescription volume growth, with a 4.8% increase in 2013 compared to 2012. The average annual growth rate in dollar sales for

the five years ended December 31, 2013 was 4.5% for the total hormonal contraceptive market and 2.4% for the CHC market. Market growth in gross sales is primarily due to price increases amongst branded products.

We believe there are two possible factors primarily affecting recent prescription volume growth in the contraceptive market. First, according to U.S. Census Bureau data and projections, the population of women aged 15 to 44 years has been growing at a rate of approximately 0.4% to 0.5% per year since 2011, increasing this population by 250,000 to 300,000 women per year.

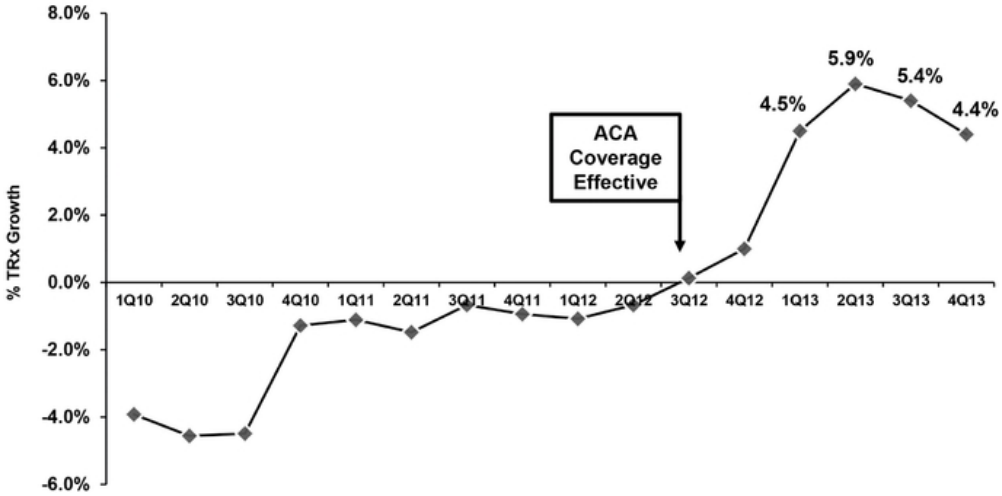
Contraceptive Population
(total women aged 15-44 yrs)



Source:U.S. Census Bureau, National projections released 2008 based on 2000 census data.

Second, in 2010, the Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act, or collectively, the ACA, was signed into law, which, among other things, requires all health plans, with limited exceptions, to cover certain preventive services for women with no cost sharing, which means no deductible, no co-insurance and no co-payments by the patient, effective August 1, 2012. These services include those set forth in the Guidelines for Women's Preventive Services, or HRSA Guidelines, and adopted by the U.S. Department of Health and Human Services Health Resources and Services Administration. Contraceptive methods and counseling, including all FDA approved contraceptive methods as prescribed, are included in the HRSA Guidelines. Since these new ACA provisions went into effect in August 2012, quarterly prescription volume growth for the CHC market has risen from negative growth year-on-year to positive growth between 4.0% and 5.0% for each of the six quarters following implementation.

CHC Market TRx Growth (%) vs. Prior Year



Source: IMS National Prescription Audit, IMS Health

During the period following enactment of the ACA, from September 2012 through June 2013, only generic oral contraceptives showed positive growth; however, in the third and fourth quarters of 2013, both the vaginal ring and the transdermal patch also showed positive growth. As interpreted by the applicable governmental agencies, health plans are only required to cover one product for each contraceptive "method" without cost-sharing by the patient. For other products that fall within the same "method" that are not the preferred product, payors are allowed to use reasonable medical management techniques, such as applying cost-sharing obligations. We therefore cannot be sure that the growth in the CHC market is due entirely to the new coverage and ACA requirements, and it is too early to determine the full effect of the ACA on our business. Although CHC market growth in the United States may decline from current levels over time, we believe the CHC market will maintain a long-term positive annual growth rate in line with contraceptive population growth.

In spite of the availability of generic contraceptives for over 25 years, branded products have maintained a significant share of the CHC market, with 55% of dollar sales and 27% of prescriptions for the 12 months ended September 2013. Branded contraceptives in the CHC market have driven significant increases in the value of branded total prescriptions, or TRx. In the five years ended December 2013, the average annual price increase among the top branded products was 11.7%. The average price per cycle, referred to as the wholesale acquisition cost, or WAC, for a single 28-day cycle of the top branded products was $41.53 in 2006 and rose to $89.35 by the end of 2013. In addition, as of February 2014, eight branded product manufacturers already increased their pricing in 2014 by an average of 9.4%, and the average WAC per cycle for the top 13 branded manufacturers is $94.44. The non-oral forms of CHC, the transdermal patch and the vaginal ring, are currently priced at $110.22 and $91.69 per cycle, respectively. We cannot predict whether the manufacturers of branded products will continue to increase prices going forward, but

we believe we will be able to set a WAC price for Twirla, if approved, that is comparable to other branded CHC products at the time of launch. Based on IMS Health data, we estimate that each percentage point of market share of CHC total prescriptions in the United States currently represents approximately $108 million of annual gross sales potential for Twirla, if approved.

Contraceptive Pills

Based on data from the CDC, of women who choose to use a hormonal contraceptive, approximately 72% use the contraceptive pill, implant or patch, the majority of which use the contraceptive pill. We believe that contraceptive pills are the most popular choice because:

- patients and physicians are familiar with pills;
- pills were the first to market and have been aggressively promoted for a long period of time;
- historically, pills have been a covered benefit with good reimbursement in private and public healthcare plans; and
- pills are a non-invasive option.

However, compliance remains a significant draw-back with pills. Published studies have shown that the average woman who uses oral contraceptives misses approximately two to four pills per month, which increases the potential for unintended pregnancies. We believe that a patch can offer greater convenience than a pill, as it does not require daily administration and, for certain women, could lead to greater compliance and ease of use.

Contraceptive Patch Market Experience

The Ortho Evra® contraceptive patch, or Evra, was introduced in early 2002 and was the first and is the only FDA-approved contraceptive patch. The initial approved labeling for Evra indicated that it delivered a daily EE dose of 20 micrograms. Evra had rapid uptake in the contraceptive market, and achieved a 10% share of the CHC market by September 2003. Following FDA approval of Evra, users of Evra began to report thrombotic and thromboembolic events to the FDA. Johnson & Johnson, the manufacturer of Evra, revised the Evra labeling in November 2005 to include information that EE exposure with Evra is 60% higher than that of an oral contraceptive containing EE of 35 micrograms, based on area under the curve, a commonly-used metric for measuring EE exposure in contraceptives. This information was ultimately included in a black box warning and bolded warnings unique to the Evra label. The Evra market share declined rapidly following the labeling changes, from a peak share of 11% in 2005, to 4% by the end of 2006, to 1.4% by the end of 2013.

The FDA has maintained, in spite of the wording in the labeling for Evra, that none of the epidemiologic studies to date provides a definitive answer regarding the relative risk of VTE with Evra compared to combined oral contraceptive use or whether the increased risk that some studies demonstrated is directly attributable to Evra. An advisory committee for the FDA stated that the benefits of Evra outweigh the risks. In its denial of a Citizen's Petition calling for the withdrawal of Evra, the FDA followed the committee's recommendations stating that the increased VTE risk does not warrant removal from the market, and that the labeling revisions to the Evra label provide an update and guidance on the interpretation of the epidemiologic data about the risk of

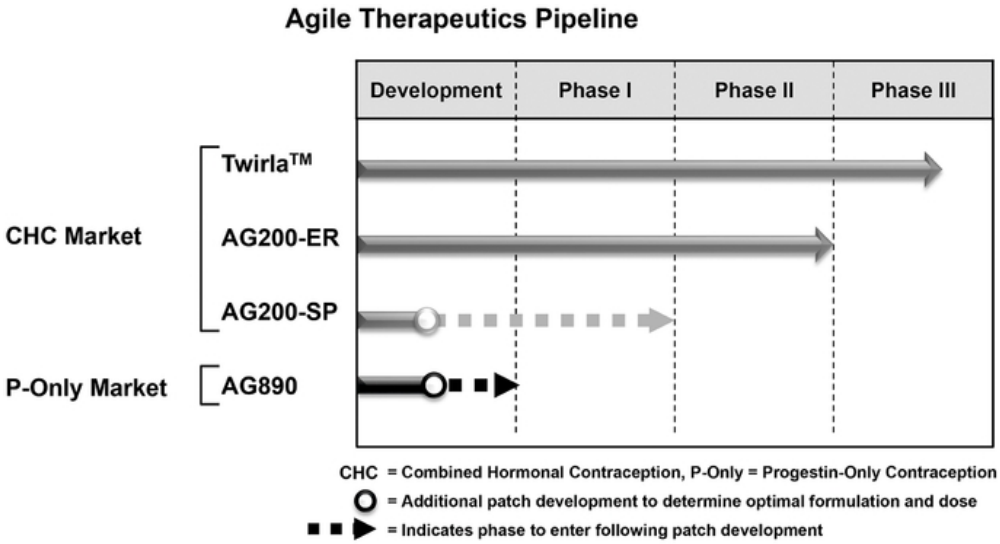
VTE with Evra. In spite of the labeling changes, and Johnson & Johnson ceasing promotion of Evra in 2007, Evra generated $150 million in gross sales in 2013.

We believe that the rapid uptake and acceptance of Evra upon its introduction demonstrates that there is an unmet market need for a transdermal patch as a contraceptive option. Also, the epidemiologic data on VTE risk suggest that there is a need for a contraceptive patch that delivers both a low dose of EE similar to oral contraceptives and a first or second generation progestin.

Our Product Candidates

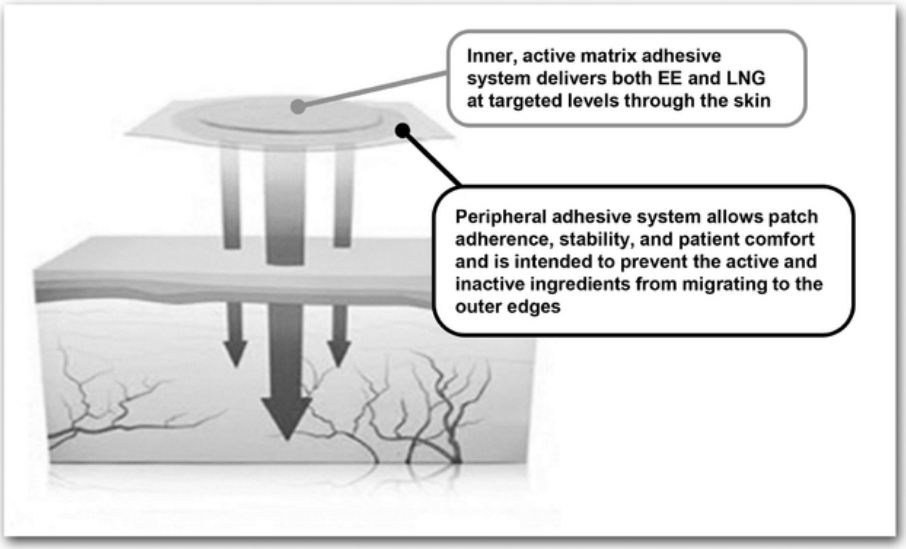
Each of our product candidates utilizes our proprietary Skinfusion technology, which is designed to provide advantages over the currently available patch. Skinfusion is designed to deliver contraceptive-levels of hormones to the blood stream through the skin over a seven-day period. It is also designed to optimize patch adherence, stability and patient acceptance. Our lead product candidate is Twirla, a prescription CHC patch which contains both EE and LNG and is designed to deliver a low dose of EE and LNG comparable to the total dose delivered with low-dose oral contraceptives. In addition to Twirla, we are developing a pipeline of other new transdermal contraceptive products, including AG200-ER, which is a regimen designed to allow a woman to extend the length of her cycle and AG200-SP, which is a regimen designed to provide a shortened hormone-free interval. We are also developing AG890, which is a P-only prescription contraceptive patch intended for use by women who are unable or unwilling to take estrogen.

Our current product candidate pipeline is summarized in the graphic below:

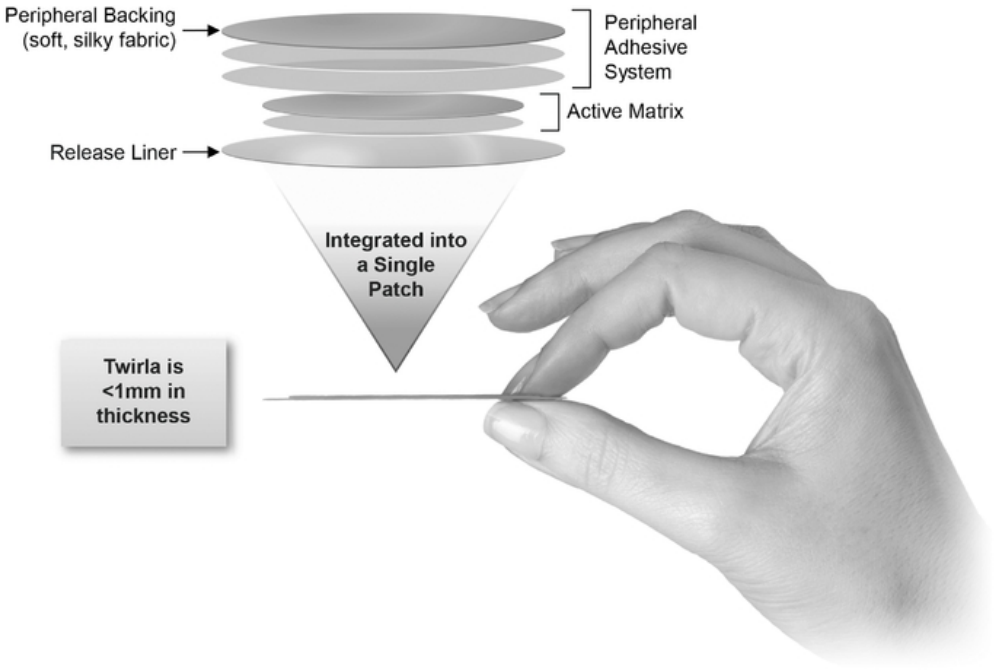


Twirla Product Overview

Twirla is a CHC patch which contains both EE and LNG. Twirla is designed to address an unmet medical need for increased compliance and improved ease of use as compared to oral contraceptives. A single Twirla patch delivers the active ingredients LNG and EE over a seven-day dosing interval, and thereby eliminates the need to take a daily pill as is necessary with an oral contraceptive. Twirla uses a traditional 28-day contraceptive regimen, where one patch is applied weekly for three consecutive weeks and then there is a fourth patch-free week in each 28-day time period. Twirla may be applied to the buttock, abdomen or upper torso, but not the breast. In clinical trials to date, women most frequently chose the buttock and abdomen for patch placement. The exact patch location needs to be rotated with each patch change. Twirla has demonstrated a therapeutically equivalent pharmacokinetic profile when worn on the buttock, abdomen or upper torso.



Twirla is designed to be highly appealing to patients as a method of contraception. The patch is round and made of a soft, flexible, silky fabric, designed to flex with the movement of a woman's body. Twirla is a matrix patch consisting of several layers of material that contain the active ingredients EE and LNG, inactive ingredients to assist in transport of EE and LNG across the skin, and adhesives that allow adherence to the skin. The final top layer is the one seen on the skin, and consists of a thin, silky material with adhesive only. There is a barrier formed between the inner portion of the patch, which contains the active ingredients, and the outer portion of the patch, which only contains the adhesive. This barrier is intended to prevent the active and inactive ingredients from migrating to the peripheral portion of the patch, and from breaking down the adhesive in that portion of the patch. Twirla is also designed to help prevent seepage of the adhesives from around the edge of the patch where it could collect dirt and leave a sticky black ring on the skin. The six layers of the patch are integrated to create a patch which has a slim profile, and is unobtrusive when applied. The results of multiple clinical trials suggest that Twirla delivers the active ingredients needed for contraception over a seven-day period and that it remains adhered to the skin of most subjects for the full seven-day period, even under conditions of heat, humidity, showering, exposure to water and vigorous exercise.



Twirla Patch Profile

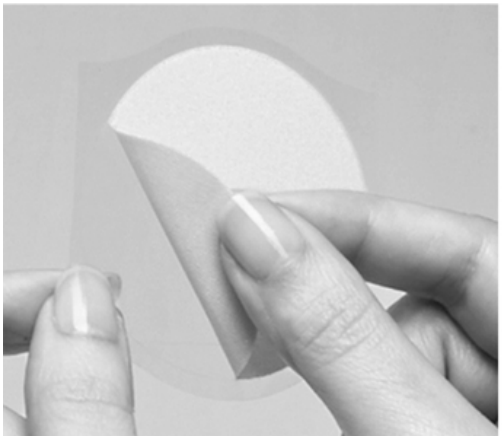
The following table compares Twirla with the currently marketed Evra product as stated in its label, based upon publicly-available information regarding Evra and the characteristics of Twirla and other Twirla attributes observed in our Phase 3 clinical trials. We have not performed a head-to-head comparison of Twirla to Evra.

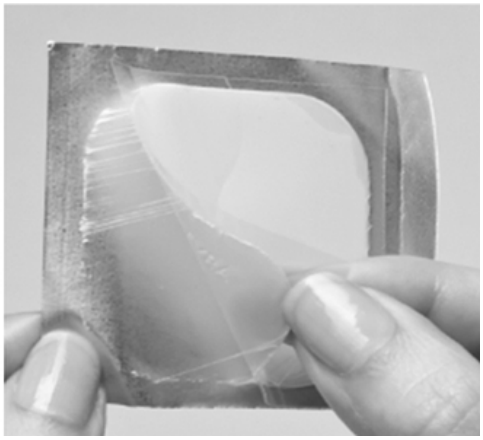
Characteristic	Twirla	Ortho Evra*
Form of product	Transdermal patch Round, approximately 28 square centimeters Soft, silky, stretchy fabric	Transdermal patch Square, approximately 20 square centimeters Smooth, plastic film
Active ingredients	EE, LNG	EE, norelgestromin
EE dose delivered per day	~30 micrograms	60% higher than that of an oral contraceptive containing 35 micrograms (~56 micrograms)
Regimen	One patch weekly 21 days active / 7 days patch-free	Same as Twirla
Package configurations	1 box of 3 patches = 1 cycle 1 box with 1 patch = replacement	Same as Twirla
Top four adverse events/reactions in clinical trials	Nausea 3.0% Application site irritation 2.4% Breast tenderness 2.1% Headache 2.0%**	Breast symptoms 22.4% Headache 21.0% Application site disorders 17.1% Nausea 16.6%

* Source of Ortho Evra data is U.S. prescribing information or package insert.

** Adverse events deemed definitely, probably or possibly related to Twirla in completed Phase 3 clinical trials.

Twirla **Evra**

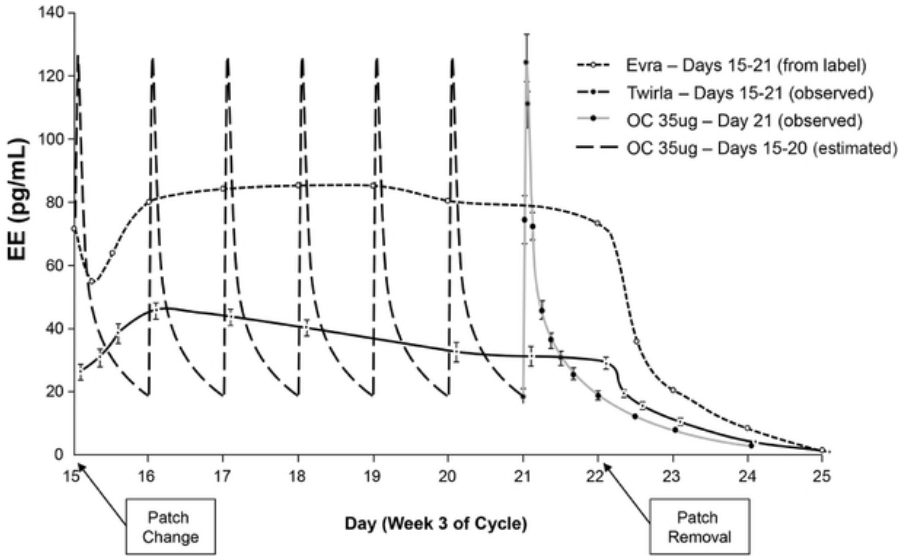




Twirla employs our Skinfusion patch technology, resulting in a unique appearance and feel of the patch. Evra does not utilize our Skinfusion technology, its active ingredients and adhesives are dispersed to its edges. One frequent complaint about patches that do not utilize Skinfusion is that they collect dirt and lint and may leave a sticky black ring of residue on the skin which can be difficult to remove. We do not have any direct comparison of the appearance of the patch on the skin at the end of seven days between Twirla and Evra, but we believe, based on anecdotal feedback from our clinical trial investigators, as well as based upon the differences in the design of the two patches, that Twirla may have an advantage in this regard.

We have not performed a head-to-head comparison of Twirla to Evra, however, a pharmacokinetic study that we conducted with Twirla was similar in design to the pharmacokinetic study conducted with Evra that provided the EE dosing information currently in the Evra package insert. The figure below combines the results for average EE concentrations from these two studies, and suggests a comparison of the observed blood concentration of EE for Twirla versus Evra versus observed and estimated data for the pill. The lower dose of EE from Twirla as compared to Evra can be observed. If Twirla is approved by the FDA, we will not be able to make direct comparative claims regarding the safety, efficacy or pharmacokinetics of Twirla and Evra, since none of our completed clinical trials studied, nor does our contemplated additional Phase 3 clinical trial expect to study, Twirla in a head-to-head comparison with Evra.

EE Concentrations (pg/ml)



The Evra curve presented in the graphic above was estimated based on the graph provided in the Evra label. In the legend to the figure above, "OC" refers to an oral contraceptive containing 35 micrograms of EE. The OC data prior to Day 21 are estimated steady-state data based on Day 21 EE concentrations observed during our pharmacokinetic study.

Twirla contains LNG, which is the progestin used as the reference standard when comparing risk of VTE between progestins. Evra contains the progestin norelgestromin, which is a prodrug of norgestimate, a second generation progestin that has not demonstrated an increased risk of VTE independent of EE. We do not expect any meaningful clinical differences between Twirla and Evra based on the progestin component, but our market research with ObGyns has demonstrated that they perceive LNG to be one of the safest progestins available.

Twirla Product Profile

Assuming completion of a successful additional Phase 3 clinical trial and approval of our marketing application by the FDA, we believe the clinical trial data from the planned Phase 3 trial for Twirla will support our future marketing of Twirla as follows:

- Twirla is a weekly contraceptive patch, designed to offer convenience and compliance.
- Twirla is designed to meet the contraceptive needs and the busy lifestyle of today's women.
- Twirla contains the active ingredients EE and LNG, both of which have been used in contraceptives for over 25 years.
- Twirla delivers the low daily dose of EE of approximately 30 micrograms, comparable to low-dose oral contraceptives.
- Twirla is designed to demonstrate efficacy comparable to other approved prescription contraceptives.
- Twirla has a favorable safety and tolerability profile.
- Twirla was designed with Skinfusion technology, which has demonstrated adhesion over the seven-day wear period, even under conditions of heat, humidity, showering, exposure to water and vigorous exercise.
- Because Twirla contains the progestin LNG, we believe that the final approved label for Twirla will be consistent with the class labeling for other contraceptives containing EE and LNG, including the class black box warning.

Twirla Clinical Development Program

Completed Clinical Trials

We have conducted a clinical program that includes three Phase 1 studies, one Phase 2 study, and two Phase 3 studies, as well as other supporting studies. We are also planning a third Phase 3 study in response to FDA comments and guidance, which we anticipate initiating in the third quarter of 2014. In Phase 1 and Phase 2 clinical trials, we demonstrated that Twirla delivers levels of both EE and LNG to the blood stream that are consistent with currently marketed low-dose oral contraceptives. In our completed Phase 3 clinical trials, we demonstrated that Twirla was comparable to an approved low-dose oral contraceptive in two randomized studies, one that

enrolled over 1,500 women over 12 months and the other that enrolled over 400 women over six months. Across all clinical trials, Twirla was generally well-tolerated and had a favorable safety profile. Because we relied in part on findings of safety and efficacy for EE and LNG in the published literature, we were not required to conduct preclinical studies. In the pharmacokinetic study comparing Twirla to an approved low-dose oral contraceptive, results demonstrated that Twirla delivers a daily dose of EE that results in estrogen exposure similar to low-dose oral contraceptives of approximately 30 micrograms.

Our two completed Phase 3 trials enrolled over 1,900 subjects to evaluate the safety and efficacy of Twirla. Each of these studies included an active comparator arm with an approved low-dose oral contraceptive. The results of these studies demonstrated that Twirla was generally well-tolerated, with levels of adverse events generally comparable to those of low-dose oral contraceptives. In these studies, subjects had a higher rate of compliance when using the patch as compared with the group using oral contraceptives. However, as discussed further below, the FDA issued a CRL in response to our marketing application for Twirla and requested an additional Phase 3 study and additional chemistry manufacturing and control, or CMC, information. The results of the larger of our Phase 3 clinical trials demonstrated that approximately only 3% of patches became completely detached from the skin of subjects during the seven-day period, and that the patch generally remained adhered to the skin even when exposed to normal daily activities and conditions such as showering, swimming and other forms of exercise, heat and humidity.

More specifically, our safety population included subjects who received at least one dose of Twirla or COC. In the combined safety population of our completed Phase 3 trials, there were a total of 22 serious adverse events, or SAEs, of which 16 were from the Twirla cohort, which had approximately 2.3 times as many subjects as the oral contraceptive comparator cohort. Three of these SAEs (0.2% of the overall Twirla safety population) were considered to be possibly related to the study drug and included one drug overdose with Benadryl®, one case of uncontrollable nausea and vomiting and one instance of deep vein thrombosis. In addition to the SAEs described above, some subjects taking Twirla experienced non-serious adverse events, such as nausea, headache, application site irritation and breast tenderness. Subjects receiving the oral contraceptive comparator also generally experienced similar non-serious adverse events such as nausea, headache, and breast tenderness, though at different rates. We believe that Twirla will have a label consistent with all marketed low-dose CHC products, which include class labeling that warns of risks of certain serious conditions, including venous and arterial blood clots, such as heart attacks, thromboembolism and stroke, as well as liver tumors, gallbladder disease and hypertension, and a black box warning regarding risks of smoking and CHC use and particularly in women over 35 years old that smoke.

In our Phase 3 trials, the primary measure of efficacy is the PI, which is calculated based on the number of observed on-treatment pregnancies and total number of on-treatment cycles during the study. Specifically, the PI is expressed as the number of pregnancies per 100 WY of use. The pooled PI value in the completed Phase 3 trials for the Twirla patch was 5.76 and for the combined oral contraceptive control arms was 6.72, which were higher than the range of 1.34 to 3.19 in pivotal studies conducted on products approved by the FDA in the previous ten years.

We believe that the results for both the patch and oral contraceptive control arms in the Phase 3 trials were affected primarily by issues with study conduct at several study sites, including

rapid enrollment which led to inability to manage the study population, poor subject compliance, and high rates of loss to follow-up. In the larger of our Phase 3 clinical trials, 96 sites enrolled subjects, 60 of which had no on-treatment pregnancies. Nineteen percent of the on-treatment pregnancies reported during this trial came from one site, which represented approximately 8% of the randomized subject population, and 36% of on-treatment pregnancies were reported at four of the 96 sites, which represented approximately 15% of the randomized subject population.

Experts agree that the characteristic most likely to impact contraceptive failure and pregnancy rates is the subject's likelihood of using a method inconsistently or incorrectly. Consistent with expert opinions, our analyses have suggested that the results for both the patch and oral contraceptive control arms in the Phase 3 trials were also affected in part by the study population, which comprised a disproportionately high number of new users and minority subjects, known to be at higher risk of noncompliance and pregnancy, as compared to the majority of other recent CHC clinical trials which have gained approval in the United States.

Individuals who immediately switch from one hormonal contraception method to another, referred to as current users, or who have recently used another method of hormonal contraception, are less likely to experience contraceptive failure than a new user because they are less likely to have inconsistent or incorrect use. These experienced subjects are often selected for trial participation because their inclusion will lower failure rates. Indeed, many contraceptive trials have enrolled a high proportion of these subjects. Direct comparisons across multiple trials are limited by differences in study design and population, as well as differences in definitions of user status; however, as shown in the table below, some comparisons are possible. For example, when compared against trials that captured current hormonal contraceptive use, in the larger of our Phase 3 trials, we had a lower proportion of subjects randomized to receive Twirla that were current users, only 17.8%, reflecting a population with less experience using hormonal contraception, compared to two recently approved hormonal contraceptives. When compared against trials that categorized subject experience more broadly by their use of hormonal contraception within the 6 months prior to enrollment, our trial also had a lower proportion of experienced subjects, only 44%. In both the COC and Twirla groups, new users had more than twice the rate of noncompliance compared to experienced users, as verified through blood tests revealing non-detectable blood levels of EE and LNG. Similarly, the pooled PI values from our Phase 3 clinical trials were more than twice as high among new users compared to experienced users, and in the primary efficacy analysis population there were no pregnancies observed in current users of other hormonal contraception who immediately switched to the patch upon entry into the trial.

In addition, our Phase 3 clinical trials also included a higher proportion of black and Hispanic subjects than most recent hormonal contraceptive trials. Although the underlying reasons are not well-understood, it has been well-documented that contraceptive failure rates are highest in black and Hispanic subjects. In our completed Phase 3 trials, rates of laboratory-verified noncompliance were substantially higher in blacks and Hispanics compared to non-Hispanic white subjects in the larger of our Phase 3 trials, and as shown in the table below, there were substantially higher PI values in the black and Hispanic subpopulations than in non-Hispanic white subjects. Additionally, as shown in the table the observed PI values were more dramatically increased for new users who were also black or Hispanic, which reinforces our need to closely monitor these subject demographics when enrolling the new trial.

Study Population Demographics in Selected Contraception Trials

		Contraceptive Product (Year of Approval) % of subjects in category*					
Parameter		**Twirla**	**Seasonique (2006)**	**Yaz (2006)**	**Lo-Seasonique (2008)**	**Natazia (2010)**	**Quartette (2013)**
Hormonal contraception use							
Current Users		18[a]	—	60[b]	—	59[c]	—
Within 6m of enrollment	Yes[d]	44	68	—	61	—	44
	No[e]	56	32	—	39		56
Race/ethnicity	Hispanic	15	5	5	10	13	11
	Black	22	11	4	12	7	18

* Table includes subjects randomized to Twirla in our larger Phase 3 clinical trial. The data pertaining to the approved drug products were derived from multiple studies, with differing study designs, as reported in the FDA medical review documents for each product.

Current user definitions (extrapolated for approved products):

[a] Used a hormonal contraceptive within 7 days of enrollment

[b] Using an oral contraceptive at screening, just prior to study start

[c] Using oral contraceptives prior to study start

Use within 6 months of enrollment definitions:

[d] Twirla: recent and current users; Quartette/Seasonique/Lo-Seasonique: continuous users

[e] Twirla: new users; Seasonique/LoSeasonique: fresh start and prior users; Quartette: new start and prior user

Twirla Pearl Indices Stratified By New Users and Minority Subjects

Parameter	**Demographic**	**Pearl Index***
Race/ethnicity	White (not Hispanic)	3.6
	Hispanic	5.0
	Black	15.1
Previous contraceptive use status	New users[a]	8.7
	Experienced users[b]	3.0
	Current users[c]	0.0
Race/ethnicity and Previous contraceptive use status	Hispanic subjects who were new users	7.5
	Black subjects who were new users	16.0

* Table includes the pooled PI values for subjects in the primary efficacy analysis population randomized to Twirla in our larger Phase 3 clinical trial.

[a] New users = never used hormonal contraception or had not used hormonal contraception in the 6 months prior to enrollment

[b] Experienced users = recent (used a hormonal contraceptive within 6 months of enrollment) and current users.

[c] Current users = subjects who used a hormonal contraceptive within seven days of enrollment.

CRL and Recent FDA Interactions

In February 2013, we received a CRL from the FDA indicating that the results from our completed Phase 3 trials would not be sufficient for approval, and the FDA proposed that we conduct an additional Phase 3 trial. Among the comments expressed in the letter were some regarding the PI values seen in the studies. Specifically, the FDA indicated that the PI values in the studies, in both the subjects using the Twirla patch and the control arm using oral contraceptives, were higher than seen in clinical trials used for registration of other approved hormonal contraceptives. The FDA recommended that we conduct an additional Phase 3 trial with a simplified clinical trial design and improved study conduct, including site monitoring and data collection procedures. The FDA also required additional information relating to the laser etching of label information on each patch and required that the patch used in the new trial utilize the same etching as will be used for the commercial product, in order to demonstrate that it does not adversely affect the performance of the patch. Furthermore, the FDA also requested in the CRL additional information on controls and release specifications related to the patch, and manufacturing and control information related to the Drug Master File of one of the raw materials in Twirla.

In October 2013, we met with the FDA and received further guidance on requirements for our planned Phase 3 trial. In addition, we had a follow-up written interaction with the FDA in February 2014. Based on these discussions, we expect to enroll the first subject in our Phase 3 trial in the third quarter of 2014, and we anticipate completing the trial by the end of 2015. The patches that will be studied in our clinical trial will be laser etched using the same process as we anticipate for commercialization of Twirla, if approved. We also plan to conduct additional supportive testing in order to respond to the FDA's CMC questions.

Planned Phase 3 Clinical Trial

Our planned Phase 3 clinical trial is intended to address a number of issues identified in the CRL, including but not limited to, a simplified trial design, study conduct, recruitment of study population and compliance. Based on FDA guidance, we have designed our additional Phase 3 trial as follows:

- Single-arm study;
- Approximately 2,000 female subjects will receive Twirla for up to one year;
- 50 to 70 sites located in the United States with experience in conducting contraceptive studies;
- The subjects will be using an electronic diary to record the data that is critical to the calculation of the PI, such as sexual activity, back-up contraception use, and patch usage and adhesion; and
- We will utilize a more precise visual analog scale to further assess patch adhesion.

By not having a comparator, we will increase the number of cycles collected for the primary efficacy analysis. The single-arm design will also substantially reduce the complexity of statistical analyses required to interpret the results of the trial and will reduce uncertainty around interpretation of any unexpected differences in observed PI values between Twirla and a comparator arm that could occur. Importantly, the simplified protocol design should also be easier for clinical sites to understand and implement. In addition, we believe that having no oral contraceptive comparator will attract subjects who are interested in participating in the transdermal method as opposed to subjects who may be at higher risk for early discontinuation from the study if randomized to the patch. We believe this phenomenon occurred in the larger of our completed Phase 3 clinical trials and may have contributed to the early observed discontinuation rate.

The new study will be conducted with several measures put in place to improve upon one aspect of prior study conduct: loss to follow-up. First, the new study will be conducted in 50 to 70 sites in the United States that have experience conducting contraceptive trials and experienced study coordinators. Sites being considered for study participation will be evaluated extensively for their prior hormonal birth control trial experience through a data-driven approach assessing performance on previous clinical studies, staffing of experienced study coordinators with longevity at the site, demographics of potential study subjects, and audit history. Fewer sites will enable more focused oversight of participating sites and facilitate more individualized attention to enrolled study subjects, as compared to our previous Phase 3 study which was conducted at 96 sites. Training of study coordinators at the investigator meeting, at study initiation visits, and through ongoing communication should also reduce loss to follow-up. In addition, study sites that are showing early trends toward higher rates of loss to follow-up or overall poor study management will be re-trained and, if necessary, discontinued. Upon subject enrollment, sites will also ask for multiple methods of contact for each subject, and will obtain permission to contact family members and utilize public records to locate subjects who are lost to follow-up.

After site selection, recruitment of the study population is the next crucial step toward achievement of a population that will provide reliable and generalizable data in our planned Phase 3 clinical trial. At the site level, selection of sites with a population of subjects that are experienced with use of contraceptives should contribute to the successful identification of subjects who have a higher likelihood of compliance and continuation in the study and will therefore be acceptable candidates for our trial. We will train our sites to provide individualized attention to recruitment of subjects who are most likely to adhere to the study protocol with respect to compliance, including correct patch application, timing of patch removal and replacement, electronic diary, or e-diary, completion and study visits. Potential subjects will be carefully screened for ability, motivation and willingness to comply with all of the study visits and other requirements. In order to ensure recruitment of acceptable subjects, study coordinators and investigators will receive in-depth training on selection of appropriate subjects prior to beginning subject enrollment, and these criteria will be reviewed throughout the study enrollment period. Subjects will also be advised through the informed consent process that noncompliance with study procedures may lead to discontinuation from the trial. In addition, each site will provide real-time recruitment information to the CRO throughout the recruitment process, which will facilitate enrollment of the appropriate subject population.

Once the subject population is selected, a number of measures will need to be put in place in order to facilitate compliance with study procedures. To ensure subjects are adequately educated regarding their responsibilities during the trial, a detailed subject teaching plan will be developed and implemented, and subject education regarding the importance of compliance, including videos, brochures and one-to-one education with study coordinators, will also be provided at repeated intervals throughout the study. A number of measures will be put in place to support and monitor compliance through the study. One key measure is the use of e-diary technology, which will allow for personalized reminders to subjects for patch application, diary completion and study visits, measures we believe will improve overall subject compliance. Additional methods of delivering reminders, for example, text messaging and email, will also be utilized. Phone contact with subjects between visits will also be added to the study protocol, which will increase the frequency of contact with subjects throughout the study.

In addition to contributing to improved compliance, the use of e-diary technology may also contribute to improved data quality and completeness in the next study. The e-diaries will be available on multiple platforms, including smartphones and tablets. Subjects will use their e-diaries to record the data that are critical to the calculation of the PI, including sexual activity and use of back-up contraception. Subjects will also record their bleeding patterns and patch adherence using a new, more precise scale. During the study screening period, subjects will receive comprehensive training on use of the e-diaries and will be required to demonstrate both appropriate use and ability to comply with the study protocol in order to be enrolled in the study. The diaries will be designed to be simple and easy-to-use, and to enhance data quality, will be designed with built-in prompts to avoid subject error in data entry. As the subjects enter data into the e-diaries, it will be uploaded into the CRO's database and will be available for real-time review by the CRO and our study monitors. The CRO and our study monitors will analyze individual subject and site data and can immediately implement additional training or intervention with study site coordinators and subjects as needed, including potentially discontinuing noncompliant sites or subjects. Real-time e-diary and study visit data will also potentially minimize the number of subjects lost to follow-up. By selecting an appropriate subject population and implementing the compliance measures described above, we anticipate that the number of pregnancies will be reduced as compared to the previous Phase 3 studies. None of these real-time measures were utilized in our previous clinical trials.

An independent Pregnancy Review Committee comprised of experts will also be selected to review all pregnancies and determine on or off-treatment status, which will affect the numerator of the PI calculation. The two most likely time periods for off-treatment pregnancies are between the screening visit for study entry and starting treatment with Twirla, and after completion of or discontinuation from the study. Accurate and timely pregnancy adjudication will be critically important in order to reduce the likelihood that pregnancies which occur during these time periods will be included by the FDA during the review process. In order to avoid unrelated pregnancies being included, every pregnancy will be assessed via ultrasound as soon as possible and full data will be collected regarding the relationship of the pregnancy to the subject's use of Twirla. Based on the observations regarding the clustering of pregnancies at a few sites during our completed Phase 3 trials, we believe that focused attention to ensuring full implementation of the compliance measures at every site will substantially reduce the overall incidence of pregnancies during the planned Phase 3 trial. We did not have an independent Pregnancy Review Committee for our previous clinical trials.

The observed PI values will not only be impacted by the number of pregnancies that occur in the study, but also by the number of cycles that are included in the analysis, which affects the denominator of the PI calculation. Cycles in which a subject is not sexually active, has incomplete diary information or uses a back-up method of contraception will not be counted toward the number of cycles included in the calculation of the PI. Indicators of subjects who are likely to exhibit the behaviors listed above will be carefully assessed during the recruitment process so as to reduce the number of cycles discarded from the analysis.

We plan to select a CRO with substantial experience in contraception studies and excellent site monitoring capabilities. We plan to actively participate in site selection, subject recruitment and site monitoring as well as oversight of the CRO throughout the length of the trial. Our CRO will be selected based not only on the above criteria, but on a clear track record of responding to trends and information through early intervention in order to assure compliance with trial procedures at both the subject and site levels.

Assuming successful completion of this additional study by the end of 2015, we plan to submit a complete response that includes the additional clinical trial results to the FDA in the first half of 2016.

Twirla Line Extensions and Other Product Candidates

In addition to Twirla, our product pipeline consists of two classes of product candidates: Twirla line extensions and other transdermal contraceptive product candidates. These product candidates are designed to address market needs and offer additional non-daily contraceptive options.

The hormonal contraceptive market has a long history of manufacturers successfully using line extensions to extend the lifecycle of a brand, often by gaining additional exclusivity periods for the product extension under the provisions of the Hatch-Waxman Act or with additional patents. Our lifecycle strategy with Twirla is to introduce line extensions that will have exclusivity for some time period, either due to our intellectual property estate, or due to Hatch-Waxman exclusivity. The line extensions in our pipeline include using our Skinfusion technology to allow a shortened hormone-free interval, meaning fewer days of no hormones following the 21 days in the current Twirla regimen, as well as extending the cycle beyond the typical 28-day regimen to allow women to experience fewer withdrawal bleeds each year.

Our Twirla line extensions include the following:

- AG200-ER is an extended cycle regimen utilizing our current patch product designed to allow a woman to extend the time between her episodes of withdrawal bleeding. There are several currently approved oral contraceptives that provide an 84 or 91-day extended cycle regimen. However, there is no approved contraceptive patch product offering an extended cycle regimen. AG200-ER is a contraceptive patch which is designed to address the limitations of the currently approved extended regimen oral contraceptives by providing a more convenient, weekly dosing schedule. By adjusting the length of the cycle, AG200-ER is designed to potentially minimize breakthrough bleeding, which is a commonly-reported concern with patients using an extended regimen contraceptive product. We are currently evaluating the optimal cycle length to advance into clinical development. AG200-ER will utilize the same patch that is in the Twirla product, so this product has the potential to progress into clinical trials in 2015.

- AG200-SP is a 28-day regimen that includes a shortened hormone-free interval, or SHFI, designed to provide users with shorter, lighter withdrawal bleeds and potentially improve contraceptive efficacy. AG200-SP may also provide benefit in patients with sensitivity to abrupt changes in hormone levels. The only currently approved products with a SHFI are oral contraceptives, and comprise 44% of U.S. TRx volume, demonstrating high acceptability among patients and providers. AG200-SP is designed to provide a simplified SHFI regimen through use of a smaller, lower-dose patch in the fourth week, which will allow patients to continuously apply patches without interruption. AG200-SP has the potential to occupy a unique position in this segment of the market, because it will allow for a reduced hormone interval through the delivery of lower, declining doses of one or both hormones EE and LNG.

Our other product candidate is a P-only contraceptive patch described below:

- AG890 is a LNG-only contraceptive patch, intended for use by women who are unable or unwilling to take estrogen, including those who are breastfeeding or who are at greater risk of VTE, such as women who smoke, are over 35 years of age, or who are obese. Currently, the P-only market consists of pills and several non-oral options, including IUDs, implants and injections. AG890 is intended to fulfill an unmet medical need for a non-daily, easily reversible form of contraception in the P-only market. We have conducted a Phase 1 clinical trial with AG890. In addition, the National Institutes of Health, through a clinical trial agreement with us, conducted a Phase 1/2 trial with AG890. The Phase 1/2 study was a multicenter study to evaluate the pharmacokinetics, safety and mechanisms of potential contraceptive efficacy of AG890. The trial is complete and data are currently being compiled. Early findings indicate that additional development will be required, including additional Phase 1 and Phase 2 studies to determine the optimal formulation and dose to advance to Phase 3.

Sales and Marketing

Twirla Commercialization Strategy

We expect to build a sales and marketing infrastructure in the United States to support the launch of Twirla for contraception, if approved. We anticipate that a targeted sales force focused initially on ObGyns, NPs, PAs and primary care providers who comprise the top prescribers of contraceptives will be highly effective. Outside the United States, in the future we may decide to commercialize Twirla, if approved, by entering into third-party collaboration agreements with pharmaceutical partners.

Twirla Promotion Strategy

We have employed several key strategies during the development of Twirla to prepare us for the launch of Twirla. These include:

- Seeking advice and input from key opinion leaders, or KOLs, in women's health and contraception;
- Sponsoring continuing medical education, or CME, programs at key congresses and symposia around the country;
- Establishing relationships with women's health advocacy groups;

- Conducting extensive market research to better understand the market dynamics and identify product positioning and messages for Twirla with prescribers and consumers;
- Assuring that data from our clinical trials are presented in a timely manner at clinical congresses and published in appropriate peer-reviewed medical journals; and
- Filing an intent-to-use application to register the trademark Twirla and developing key branding elements, including packaging design for submission with the NDA.

Prescribing in the CHC category is primarily driven by ObGyns, who write nearly 50% of the total prescriptions. In addition, NPs and PAs, who are often affiliated with an ObGyn practice but can also be in a primary care setting, also write contraceptive prescriptions. The ObGyns, NPs and PAs combine to write nearly 70% of total CHC prescriptions. We plan to focus the promotion of Twirla on these key prescribers and other key customer groups, including consumers and commercial managed care plans. We believe that we can deploy a focused sales force effort targeting the approximately 22,000 prescribers responsible for 80% of branded CHC prescriptions. We believe that this universe of branded prescribers can be covered adequately by a specialty sales force of between 70 and 100 total representatives. In areas of the country where it is not efficient to deploy a sales representative, remote promotion can be used to reach these prescribers.

We plan to deploy patient promotion at the launch of Twirla, both in the physician's office, and through targeted media campaigns. We plan to use both branded and unbranded campaigns to create awareness of Twirla among consumers. We believe there are cost-effective means to reach our target demographic of females aged 18 to 34 years, the so-called Millennials, who are more likely to seek health information online and through social networks. Traditional mass-market direct-to-consumer advertising on television may not be required to reach these consumers. Marketing tactics aimed at today's female consumer need to be optimized for mobile technology, because smartphones and text messaging are the preferred means of communication. Millennials also engage in online activities to a high degree. For example, approximately 80% use a social network and approximately 40% read blogs. We believe that a focused consumer promotion plan that uses digital media and other mass-market advertising vehicles will generate consumer awareness and demand for Twirla if approved.

Managed care plans have traditionally used differential co-pays to attempt to drive patients to use either generic products or products for which they have a contract with the manufacturer. Many plans encourage patients to obtain their branded contraceptives through mail-order, incentivizing them with a 90-day co-pay that is often less on a per-month basis than that for a 30-day supply. Most manufacturers of contraceptive brands offer a coupon to patients covered by non-governmental payors to offset the difference in co-pay between a generic and Tier 2 or Tier 3 for their promoted brands. These co-pay coupons are a useful tactic to overcome barriers to initiating therapy in such patients. When used in conjunction with product samples given out by the physician, a co-pay coupon often allows the patient to then fill their first prescription for free or at a steep discount, and limits the out of pocket expenditure for the patient for several months. This co-pay assistance creates brand loyalty, particularly for a brand where there is no generic alternative. We believe that we will be able to use free product samples and co-pay coupons or vouchers at the time of Twirla's launch to gain use of the product by patients covered by non-governmental payors while we are negotiating contracts with select commercial health plans and awaiting formulary review.

Market Research

We have conducted market research with healthcare professionals, consumers and managed care decision-makers to determine market drivers, unmet needs and the reaction to the Twirla product profile. A total of over 450 healthcare professionals and nearly 3,000 consumers have participated in our market research on Twirla and the contraceptive market. The main findings of the market research are discussed below.

Topline Summary of Our ObGyn/NP Market Research:

- Compliance is a substantial problem with oral contraceptives, and many women are not comfortable with the "invasiveness" of a vaginal ring, IUD or implant.
- The daily dose of estrogen delivered is the most important information requested by ObGyns and NPs in order for them to prescribe Twirla, if approved.
- Prescribers need assurance that what happened with Evra will not occur with Twirla, although they are generally unable to state the actual EE dose delivered by Evra.
- ObGyns are not familiar with the PI calculation, and generally assume all FDA-approved contraceptives are about equally effective.

Two of our market research studies have included an allocation exercise to estimate the potential uptake of Twirla and peak market share. In both of these studies, ObGyns and NPs indicated their allocation of contraceptive prescriptions before and after reviewing a product profile like Twirla. In the first study, ObGyns estimated use of a product like Twirla in 17% of their CHC patients and in the second study, ObGyns and NPs estimated use of a product like Twirla in 18% of their contraceptive patients. A proprietary calibration model developed by Kantar Health was applied to the peak share estimate, to adjust for physician overstatement, resulting in an estimated peak market share of 9% of the CHC market. We believe a peak CHC market share of 9% can be achieved with Twirla within seven years of launch, allowing us time to establish a presence in the CHC market and to overcome any perceptions or barriers among prescribers due to the past history of Evra.

Topline Summary of Our Consumer Market Research:

- The most important benefit to consumers is the ability for Twirla to "make their life easier" and "take birth control off their minds."
- All women are "busy" and most women admit to missing at least one or more birth control pills every month.
- There is little to no awareness of Evra among consumers, and no pre-existing safety hangover to overcome.
- The fact that Twirla may minimize the 'black ring' effect is important.
- Among women who are currently considering starting prescription contraception, nearly half would be interested in using Twirla, and over 90% of those interested said they would discuss Twirla with their doctor.

Topline Summary of Our Managed Care Market Research:

- Contraceptives are not among the top categories affecting health plan budgets. New contraceptives will likely be subject to 'hands off' management by payors.
- Prior to formulary review, most commercial plans will add Twirla, if approved, to their system and reimburse the product as a non-preferred agent.
- Contracting is a critical driver to gain preferred formulary placement.

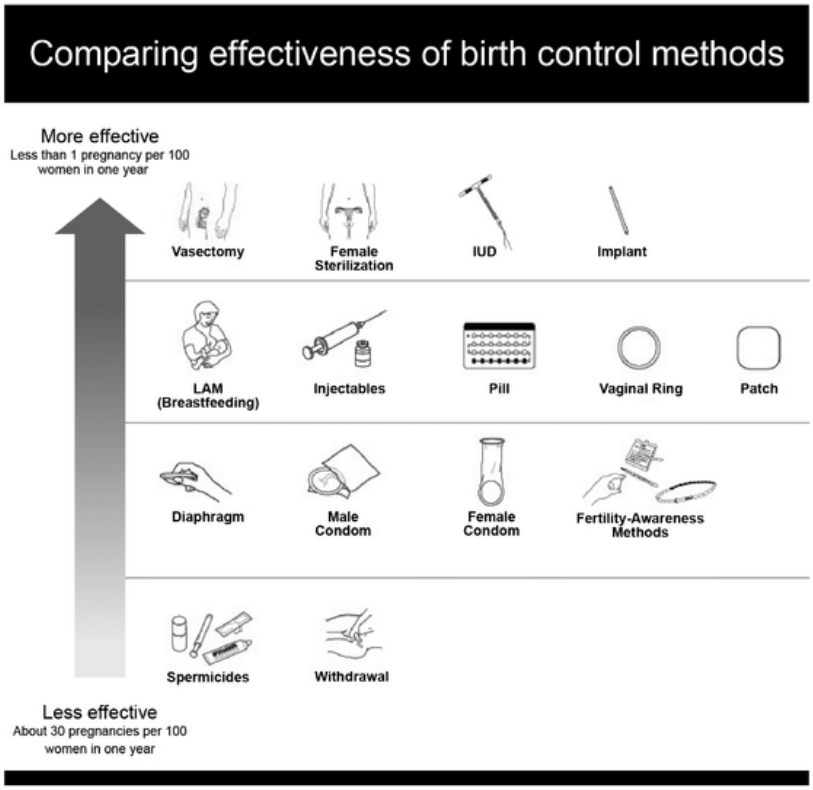
The managed care research summarized above was conducted prior to the implementation of the contraceptive mandate in the ACA. Managed care plans still appear to be to interpreting and addressing the extent to which they will cover contraceptives as required under the ACA. Market research conducted with pharmacy and medical directors in May 2013 revealed that only approximately 50% of payors interviewed had made a decision with regard to the management of contraceptives since the ACA became law. For the plans who have published their no cost preventive medications drug list, it appears that many are only offering generic oral contraceptives at a zero co-pay and that branded or non-oral contraceptive products are often available with a cost-sharing option, or at no cost with prior authorization from the prescriber.

Competition

The industry for contraceptive products is characterized by intense competition and strong promotion of proprietary products. While we believe that our Skinfusion technology provides us with a competitive advantage, we face potential competition from many different sources, including large pharmaceutical companies, specialty pharmaceutical and generic drug companies, and medical device companies. Any product candidates that we successfully develop and commercialize will compete with existing products and new products that may become available in the future.

We face competition from a variety of non-permanent birth control products. There are barrier methods, such as the contraceptive sponge, diaphragm, cervical cap or shield and condoms. Then, there are hormonal methods, which is the category for our product candidates, such as oral contraceptives, injections, implants, IUDs and vaginal ring and transdermal contraceptive products.

The following table compares the effectiveness of birth control methods. We adapted the table from the World Health Organization, 2011 Family Planning Wall Chart.



Although there are over 180 CHC products, including branded and generics, available on the market today, approximately 50% of the total market sales, or $2.1 billion in 2013, were contributed by just eight products. Our potential competitors include large, well-established pharmaceutical companies, and specialty pharmaceutical sales and marketing companies. The top selling product in the CHC market for the 12 months ending December 2013 was Nuvaring®, marketed by Merck, the only contraceptive ring available on the market, with over $550 million in sales for 2013. The Loestrin® franchise, marketed by Actavis, consisting of two oral contraceptives, Loestrin® 24 and LoLoestrin®, also totaled over $550 million in sales in 2013. Other competing products include: Gianvi® and Quartette®, marketed by Teva, Beyaz® and Mirena®, marketed by Bayer, and Alesse®, marketed by Pfizer. Additionally, several generics manufacturers currently market and continue to introduce new generic contraceptives, including Sandoz, Glenmark, Lupin and Amneal. Ortho Tri-Cyclen® Lo, also an oral contraceptive, had over $450 million in sales in 2013, and Ortho Evra®, launched in 2002 by Johnson & Johnson, the only contraceptive patch on the market, achieved $150 million in sales in 2013. It was the most successful product launch in the history of the U.S. contraceptive market, and the product rapidly gained annual sales levels of

nearly $400 million by 2004. However, sales of that product declined rapidly following the emergence of safety concerns that were associated with the hightened levels of estrogen delivered by that product. Based on the market experience of other non-oral dosage forms, including the Evra product, we believe there is a continuing demand for an innovative transdermal contraceptive patch that can provide convenience in a low-dose transdermal format.

There are other contraceptive products in development that, if approved, will compete with Twirla and our other product candidates. Companies that have new contraceptive products in various stages of development include Bayer's contraceptive patch and an oral contraceptive, each in Phase 3 development, Teva's oral contraceptive in Phase 3 development, Merck's oral contraceptive in Phase 3 development, Actavis' vaginal ring and P-only patch and an oral contraceptive in Phase 2 development, and Antares Pharma's transdermal gel contraceptive in Phase 2 development. However, in the past few years, some of these large pharmaceutical companies such as Johnson & Johnson and Pfizer have dissolved their women's health specialty marketing and sales teams, and Bayer has shifted their focus away from their CHC products to their IUD franchise.

We are aware of only one other CHC transdermal patch in development. This patch is being developed by Bayer, and contains the active ingredients EE and gestodene, a third generation progestin. Bayer has stated that their gestodene patch is small, round, and transparent, and delivers a daily EE dose comparable to a 20 microgram EE oral contraceptive. Phase 3 studies of the Bayer gestodene patch began in 2004, and they completed a Phase 3 efficacy trial in the United States in December 2010. Bayer also completed Phase 3 efficacy trials in the European Union, or E.U., and Latin America in September 2011, submitted a marketing application to the E.U. in September 2012, and received approval to market the gestodene patch in the E.U. in February 2014. At the time of the E.U. submission, Bayer reported that they were in talks with the FDA regarding a U.S. submission, but there has been no further public information regarding a U.S. submission or approval, and the most recent Bayer pipeline information does not list the gestodene patch.

To date, there are no contraceptives containing gestodene available in the United States. We are aware that Wyeth was developing oral contraceptives containing gestodene in the late 1980s, with an NDA filed for an oral contraceptive containing gestodene and EE in 1988, and Wyeth planned filing an NDA for a second oral contraceptive containing gestodene in 1991. These products were never approved, and in a Wyeth pipeline report from 1996, there was no mention of any gestodene-containing product candidates among its contraceptives in development. Although not available in the United States, gestodene has been widely used outside the United States for a number of years. As with other third generation progestins, epidemiologic studies have reported a two-fold increase in risk of VTE with contraceptives containing gestodene compared to those containing LNG. We believe that if Bayer were to obtain FDA approval for the gestodene patch, the approved labeling may contain the same language that products containing third generation progestins have, which states that these contraceptives have a two-fold increase in risk of VTE as compared with contraceptives containing second generation progestins.

Manufacturing

We do not own any manufacturing facilities. We currently rely, and expect to continue to rely, on a third party for the manufacture of our product candidates for clinical trials, as well as for

commercial manufacture if any of our product candidates receive marketing approval. In 2006, we entered into an exclusive agreement with Corium International, Inc., or Corium, to develop Twirla using our Skinfusion technology, and also for AG890, which is a P-only contraceptive patch in Phase 1/2 of clinical development. Our Corium agreement is an exclusive arrangement until Corium has commercially produced a significant, agreed-upon quantity of patches, currently projected to occur no earlier than five years following commercial launch of Twirla. Pursuant to the terms of our agreement, Corium is required to use commercially reasonable efforts to maintain sufficient manufacturing capabilities to supply the quantities of Twirla required for its initial commercial launch and commercial sales thereafter. We believe that our current manufacturing capacity at Corium should be able to meet all of the upcoming Phase 3 clinical trial needs. We intend to use a portion of the proceeds from this offering to invest in the Corium facility to complete the equipment validation and expansion of its manufacturing capabilities in order to be capable of supplying projected commercial quantities of Twirla, if approved. Corium is responsible for all aspects of Twirla manufacturing.

Strategic Agreements

Agreement with Corium

Pursuant to our manufacturing agreement, Corium's exclusive right to manufacture Twirla and AG890 extends until Corium has commercially produced a significant, agreed-upon quantity of patches, currently projected to occur no earlier than five years following commercial launch of Twirla, at which point the agreement will expire. The contract may be terminated by either party for the other party's uncured material breach. Following the end of the exclusivity period, if we were to seek a second source of supply, we would be required to obtain FDA approval through an NDA supplement for an additional manufacturing site, a process that generally takes two years or more, and make substantial investments in new facilities and equipment.

Under our agreement, Corium has performed process development and manufacturing of Twirla. For the development work performed, we paid Corium for time and materials and milestones for achievement of certain development goals. During 2012, we paid Corium an aggregate of $3.5 million towards leasehold improvements incurred by Corium to its facilities to provide for adequate manufacturing space for our product candidates.

In order to accommodate our anticipated commercial launch of Twirla, if approved, Corium has completed a substantial build-out of its facilities in Grand Rapids, Michigan, and it has installed over $10.0 million of equipment we purchased. This additional equipment and these facilities may require FDA pre-notification, pre-approval or inspection; however, we believe we can accomplish this expansion through an Annual Report filing to the Twirla NDA.

Reimbursement

Managed care plans have traditionally used differential co-pays to attempt to drive patients to use either generic products or products for which they have a contract with the manufacturer. Typically, a managed care plan's formulary is organized into between three and five tiers. Each tier is then associated with a set range of co-pay amounts, with products in the lower tiers having a lower co-pay. Many plans encourage patients to obtain their branded contraceptives through mail-order, incentivizing them with a 90-day co-pay that is often less on a per-month basis than

that for a 30-day supply. Contraceptive brands are generally placed on Tier 2 only if there is a contract with the plan, although there are a few plans that place all branded products on Tier 2.

Managed care plans still appear to be to interpreting and addressing the extent to which they will cover contraceptives as required under the ACA. Market research conducted with Pharmacy and Medical Directors in May 2013 revealed that only approximately 50% of payors interviewed had made a decision with regard to the management of contraceptives since the ACA became law. For the plans that have published their no cost preventive medications drug list, it appears that many are only offering generic oral contraceptives at a zero co-pay and that branded or non-oral contraceptive products are often available at a cost-sharing option, or at no cost with prior authorization from the prescriber.

Government Regulation

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacture, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, import and export of pharmaceutical products such as those we are developing. The processes for obtaining regulatory approvals in the United States and in foreign countries, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

FDA Regulation

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA's refusal to approve pending NDAs, withdrawal of an approval, imposition of a clinical hold, issuance of Warning, Untitled, or Cyber Letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, debarment, refusal to allow the import or export of product, refusals of government contracts, exclusion from participation in federal and state healthcare programs, restitution, disgorgement, imprisonment, consent decrees and corporate integrity agreements, or civil or criminal penalties.

The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- Completion of preclinical laboratory tests, animal studies and formulation studies in compliance with the FDA's Good Laboratory Practice, or GLP, regulations;
- Submission to the FDA of an Investigational New Drug Application, or IND, which must become effective before human clinical trials may begin;
- Approval by an independent Institutional Review Board, or IRB, for each clinical site before each trial may be initiated;

- Performance of human clinical trials, including adequate and well-controlled clinical trials, in accordance with cGCPs to establish the safety and efficacy of the proposed drug product for each indication;
- Submission to the FDA of an NDA;
- Satisfactory completion of an FDA advisory committee review, if applicable;
- Satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with cGMP and to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity, as well as the potential for completion of an FDA inspection of selected clinical sites to determine cGCP compliance; and
- FDA review and approval of the NDA.

Preclinical Studies and IND Submission

Preclinical studies include laboratory evaluation of drug substance chemistry, pharmacology, toxicity and drug product formulation, as well as animal studies to assess potential safety and efficacy. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data and any available clinical data or literature, among other things, to the FDA as part of an IND, unless the sponsor is relying on prior FDA findings of safety or efficacy of the drug product, in which case, some of the above information may be omitted. Some preclinical testing may continue even after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence.

Clinical Trials

Clinical trials involve the administration of an investigational new drug to human subjects under the supervision of qualified investigators in accordance with cGCP requirements, which include the requirement that all research subjects provide their informed consent in writing for their participation in any clinical trial, and review and approval by an IRB. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the trial procedures, the parameters to be used in monitoring safety and the efficacy criteria to be evaluated and a statistical analysis plan. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, an IRB for each clinical trial site participating in the clinical trial must review and approve the plan for any clinical trial before it commences, and the IRB must continue to oversee the clinical trial while it is being conducted, including any changes. Information about certain clinical trials, including a description of the study and study results, must be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on their ClinicalTrials.gov website.

Human clinical trials are typically conducted in three sequential phases, which may overlap or be combined. In Phase 1, the drug is initially introduced into healthy human subjects or subjects

with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an initial indication of its effectiveness. In Phase 2, the drug typically is administered through controlled studies to a limited subject population with the target disease or condition to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the drug for specific targeted diseases and to determine dosage tolerance and optimal dosage. In Phase 3, the drug is administered to an expanded subject population, generally at geographically dispersed clinical trial sites, in two adequate and well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product candidate for approval, to establish the overall risk-benefit profile of the product candidate and to provide adequate information for the labeling of the product candidate. In the case of a 505(b)(2) NDA, which is a marketing application in which sponsors may rely on information from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference, some of the above-described studies and preclinical studies may not be required or may be abbreviated. Bridging studies may be needed, however, to demonstrate the applicability of the studies that were previously conducted by other sponsors to the drug that is the subject of the marketing application.

The manufacture of investigational drugs for the conduct of human clinical trials is subject to cGMP requirements. Investigational drugs and active pharmaceutical ingredients imported into the United States are also subject to regulation by the FDA relating to their labeling and distribution. Further, the export of investigational drug products outside of the United States is subject to regulatory requirements of the receiving country as well as U.S. export requirements under the FDCA.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and the IRB and more frequently if serious adverse events occur. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to subjects. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group regularly reviews accumulated data and advises the study sponsor regarding the continuing safety of trial subjects, potential trial subjects, and the continuing validity and scientific merit of the clinical trial. We may also suspend or terminate a clinical trial based on evolving business objectives or competitive climate.

Marketing Approval

Assuming successful completion of the required clinical testing, the results of the preclinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the product for one or more indications. In most cases, the submission of an NDA is subject to a substantial application user fee. These user fees must be filed at the time of the first

submission of the application, even if the application is being submitted on a rolling basis. A user fee for the Twirla contraceptive patch was submitted with the original NDA. Under the Prescription Drug User Fee Act, or PDUFA, guidelines that are currently in effect, the FDA has agreed to certain performance goals regarding the timing of its review of an application. The FDA's standard review goal is to act on 90% of all applications within ten months of the 60-day filing date. We expect that our products, if and when approved, will be subject to a standard review goal.

In addition, under the Pediatric Research Equity Act, or PREA, an NDA or supplement to an NDA for a new active ingredient, indication, dosage form, dosage regimen or route of administration must contain data that are adequate to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements. We believe that we may be able to obtain a waiver from the conduct of a PREA study as, historically, waivers have been granted for other contraceptive applicants.

The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective and whether the facility in which it is manufactured, processed, packaged or held, as well as the manufacturing processes and controls, meet standards designed to ensure the product's continued safety, quality and purity.

The FDA may refer a marketing application to an external advisory committee for questions pertaining to issues such as clinical trial design, safety and efficacy, and public health questions. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it typically follows such recommendations and considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA will inspect the facility or facilities where the product is manufactured, referred to as a Pre-Approval Inspection. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications by the manufacturer and all of its subcontractors and contract manufacturers. Additionally, before approving an NDA, the FDA will inspect one or more clinical trial sites to assure compliance with cGCP.

The testing and approval process for an NDA requires substantial time, effort and financial resources, and may take several years to complete. Data obtained from preclinical and clinical

testing are not always conclusive and may be susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. The FDA may not grant approval of an NDA on a timely basis, or at all.

After evaluating the NDA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a CRL. A CRL indicates that the review cycle of the application is complete and the application is not ready for approval. A CRL generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing, or other information in order for the FDA to reconsider the application. We received a CRL for Twirla. We expect the FDA's CRL review timeline for Twirla to be approximately six months after submission of our response to the existing CRL. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA may issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product candidate, it may limit the approved indications for use of the product candidate, require that contraindications, warnings or precautions be included in the product labeling, including a black box warning, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms. For example, the FDA may require a risk evaluation and mitigation strategy, or REMS, as a condition of approval or following approval to mitigate any identified or suspected serious risks and ensure safe use of the drug. The REMS plan could include medication guides, physician communication plans, assessment plans, and elements to assure safe use, such as restricted distribution methods, patient registries or other risk minimization tools. A REMS could materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements, FDA notification, and FDA review and approval. Further, should new safety information arise, additional testing, product labeling or FDA notification may be required.

Hatch-Waxman Act.

Section 505 of the FDCA describes three types of marketing applications that may be submitted to the FDA to request marketing authorization for a new drug. A Section 505(b)(1) NDA is an application that contains full reports of investigations of safety and efficacy. A 505(b)(2) NDA is an application that contains full reports of investigations of safety and efficacy but where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference. This regulatory pathway enables the applicant to rely, in part, on the FDA's prior findings of safety and efficacy for an existing product, or published literature, in support of its application. Section 505(j) establishes an abbreviated approval process for a generic version of

approved drug products through the submission of an Abbreviated New Drug Application, or ANDA. An ANDA provides for marketing of a generic drug product that has the same active ingredients, dosage form, strength, route of administration, labeling, performance characteristics and intended use, among other things, to a previously approved product. ANDAs are termed "abbreviated" because they are generally not required to include preclinical (animal) and clinical (human) data to establish safety and efficacy. Instead, generic applicants must scientifically demonstrate that their product is bioequivalent to, or performs in the same manner as, the innovator drug through *in vitro*, *in vivo*, or other testing. The generic version must deliver the same amount of active ingredients into a subject's bloodstream in the same amount of time as the innovator drug and can often be substituted by pharmacists under prescriptions written for the reference listed drug. In seeking approval for a drug through an NDA, applicants are required to list with the FDA each patent with claims that cover the applicant's drug or a method of using the drug. Upon approval of a drug, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be cited by potential competitors in support of approval of an ANDA or 505(b)(2) NDA.

Upon submission of an ANDA or a 505(b)(2) NDA, an applicant must certify to the FDA that (1) no patent information on the drug product that is the subject of the application has been submitted to the FDA; (2) such patent has expired; (3) the date on which such patent expires; or (4) such patent is invalid or will not be infringed upon by the manufacture, use or sale of the drug product for which the application is submitted. Generally, the ANDA or 505(b)(2) NDA cannot be approved until all listed patents have expired, except where the ANDA or 505(b)(2) NDA applicant challenges a listed patent through the last type of certification, also known as a paragraph IV certification. If the applicant does not challenge the listed patents or indicates that it is not seeking approval of a patented method of use, the ANDA or 505(b)(2) NDA application will not be approved until all of the listed patents claiming the referenced product have expired.

If the ANDA or 505(b)(2) NDA applicant has provided a Paragraph IV certification to the FDA, the applicant must send notice of the Paragraph IV certification to the NDA and patent holders once the application has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the paragraph IV certification. If the paragraph IV certification is challenged by an NDA holder or the patent owner(s) asserts a patent challenge to the paragraph IV certification, the FDA may not approve that application until the earlier of 30 months from the receipt of the notice of the paragraph IV certification, the expiration of the patent, when the infringement case concerning each such patent was favorably decided in the applicant's favor or settled, or such shorter or longer period as may be ordered by a court. This prohibition is generally referred to as the 30-month stay. In instances where an ANDA or 505(b)(2) NDA applicant files a paragraph IV certification, the NDA holder or patent owner(s) regularly take action to trigger the 30-month stay, recognizing that the related patent litigation may take many months or years to resolve. Thus, approval of an ANDA or 505(b)(2) NDA could be delayed for a significant period of time depending on the patent certification the applicant makes and the reference drug sponsor's decision to initiate patent litigation.

The Hatch-Waxman Act establishes periods of regulatory exclusivity for certain approved drug products, during which the FDA cannot approve (or in some cases accept) an ANDA or 505(b)(2)

application that relies on the branded reference drug. For example, the holder of an NDA, including a 505(b)(2) NDA, may obtain five years of exclusivity upon approval of a new drug containing new chemical entities, or NCEs, that have not been previously approved by the FDA. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the therapeutic activity of the drug substance. During the exclusivity period, the FDA may not accept for review an ANDA or a 505(b)(2) NDA submitted by another company that contains the previously approved active moiety. However, an ANDA or 505(b)(2) NDA may be submitted after four years if it contains a certification of patent invalidity or non-infringement.

The Hatch-Waxman Act also provides three years of marketing exclusivity to the holder of an NDA (including a 505(b)(2) NDA) for a particular condition of approval, or change to a marketed product, such as a new formulation for a previously approved product, if one or more new clinical studies (other than bioavailability or bioequivalence studies) was essential to the approval of the application and was conducted/sponsored by the applicant. This three-year exclusivity period protects against FDA approval of ANDAs and 505(b)(2) NDAs for the condition of the new drug's approval. As a general matter, the three year exclusivity does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for generic versions of the original, unmodified drug product. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA; however, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and efficacy.

Our NDA for Twirla was submitted under Section 505(b)(2), and we expect that some of our other drug candidates will utilize the Section 505(b)(2) regulatory pathway. Even though several of our drug products utilize active drug ingredients that are commercially marketed in the United States in other dosage forms, we need to establish safety and efficacy of those active ingredients in the formulation and dosage forms that we are developing. All approved products, both innovator and generic, are listed in the FDA's Orange Book.

Post-Approval Requirements

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion, reporting of adverse experiences with the product and drug shortages, and compliance with any post-approval requirements imposed as a condition of approval, such as Phase 4 clinical trials, REMS and surveillance to assess safety and efficacy after commercialization. After approval, most changes to the approved product, such as adding new indications or other labeling claims are subject to prior FDA review and approval. There also are continuing, annual user fee requirements for any approved products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data. In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and state agencies, list drugs manufactured at their facilities with the FDA, and are subject to periodic announced and unannounced inspections by the FDA and these state agencies for compliance with cGMP and other requirements. Changes to the manufacturing process are strictly regulated and often require

prior FDA approval before being implemented, or FDA notification. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market.

Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in mandatory revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- Restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- Fines, or Untitled, Cyber or Warning Letters or holds on post-approval clinical trials;
- Refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product license approvals;
- Product seizure or detention, or refusal to permit the import or export of products;
- Injunctions or the imposition of civil or criminal penalties;
- Consent decrees;
- Debarment; or
- The FDA or other regulatory authorities may issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings about the product.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Although physicians, in the practice of medicine, may prescribe approved drugs for unapproved indications, pharmaceutical companies are prohibited from marketing or promoting their drug products for uses outside the approved label, a practice known as off-label promotion. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including criminal and civil penalties under the FDCA and False Claims Act, exclusion from participation in federal healthcare programs and mandatory compliance programs.

In addition, the distribution of prescription pharmaceutical products, including samples, is subject to the Prescription Drug Marketing Act, or PDMA, which regulates the distribution of drugs and drug samples at the federal level, and sets minimum standards for the registration and regulation of drug distributors by the states. Both the PDMA and state laws limit the distribution of prescription pharmaceutical product samples and impose requirements to ensure accountability in distribution.

Moreover, the recently enacted Drug Quality and Security Act imposes new obligations on manufacturers of pharmaceutical products related to product tracking and tracing. Among the requirements of this new legislation, manufacturers will be required to provide certain information regarding the drug product to individuals and entities to which product ownership is transferred, label drug product with a product identifier and keep certain records regarding the drug product. The transfer of information to subsequent product owners by manufacturers will eventually be required to be done electronically. Manufacturers will also be required to verify that purchasers of the manufacturers' products are appropriately licensed. Further, under this new legislation, manufactures will have drug product investigation, quarantine, disposition, and FDA and trading partner notification responsibilities related to counterfeit, diverted, stolen and intentionally adulterated products, as well as products that are the subject of fraudulent transactions or which are otherwise unfit for distribution such that they would be reasonably likely to result in serious health consequences or death.

Fraud and Abuse, Data Privacy and Security and Transparency Laws and Regulations

In addition to FDA restrictions on marketing of pharmaceutical products, federal and state fraud and abuse laws restrict business practices in the biopharmaceutical industry. These laws include, among other things, anti-kickback, physician payment transparency and false claims laws and regulations as well as data privacy and security laws and regulations.

The federal Anti-Kickback Statute prohibits, among other things, any person or entity, from knowingly and willfully offering, paying, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or in return for purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The term "remuneration" has been interpreted broadly to include anything of value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases, or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances.

Additionally, the intent standard under the Anti-Kickback Statute and criminal healthcare fraud statutes was also amended by the ACA to a stricter standard such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the ACA provided that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

The federal civil False Claims Act prohibits, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment to, or approval by, the federal government or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A

claim includes "any request or demand" for money or property presented to the U.S. government. The civil False Claims Act has been used to assert liability on the basis of kickbacks and other improper referrals, improperly reported government pricing metrics such as Best Price or Average Manufacturer Price, improper promotion of off-label uses not expressly approved by the FDA in a drug's label, and allegations as to misrepresentations with respect to the services rendered. Additionally, the civil monetary penalties statute, which, among other things, imposes fines against any person who is determined to have presented, or caused to be presented, claims to a federal healthcare program that the person knows, or should know, is for an item or service that was not provided as claimed or is false or fraudulent. The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, also created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, including private third party payors and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services relating to healthcare matters. Also, many states have similar fraud and abuse statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, that apply regardless of the payor.

In addition, we may be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their respective implementing regulations, including the final omnibus rule published on January 25, 2013, imposes specified requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes security standards and certain privacy standards directly applicable to business associates. HITECH also created four new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions. In addition, state laws may govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Additionally, federal physician payment transparency laws, including the federal Physician Payment Sunshine Act created under Section 6002 of the ACA and its implementing regulations, require that manufacturers of drugs for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with certain exceptions, report annually to the government information related to payments or other "transfers of value" made or distributed to physicians, which is defined to include doctors of medicine, dentists, optometrists, podiatrists and chiropractors, generally, with some exceptions, and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, physicians and teaching hospitals. Additionally, applicable manufacturers and group purchasing organizations are required to report annually to the government certain ownership and investment interests held by physicians and their immediate family members, with data collection required as of August 1, 2013, and reporting to the government is required by March 31, 2014 and by the 90th day of each subsequent calendar year. Disclosure of such information is to be made on a publicly available website beginning in September 2014.

There are also an increasing number of analogous state laws that require manufacturers to file reports with states on pricing and marketing information, and to track and report gifts, compensation, other remuneration and items of value provided to healthcare professionals and healthcare entities. Many of these laws contain ambiguities as to what is required in order to comply with such laws. For example, several states have enacted legislation requiring pharmaceutical companies to, among other things, establish and implement commercial compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, or register their sales representatives. Certain state laws also regulate manufacturers' use of prescriber-identifiable data. These laws may affect our future sales, marketing and other promotional activities by imposing administrative and compliance burdens. In addition, given the lack of clarity with respect to these laws and their implementation, our reporting actions once we commercialize could be subject to the penalty provisions of the pertinent state and federal authorities.

If our operations are found to be in violation of any of the laws or regulations described above or any other laws that apply to us, we may be subject penalties, including criminal and significant civil monetary penalties, damages, fines, imprisonment, exclusion from participation in government healthcare programs, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. To the extent that any of our products are sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws, and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

Coverage and Reimbursement Generally

The commercial success of our product candidates and our ability to commercialize any approved product candidates successfully will depend in part on the extent to which governmental payor programs at the federal and state levels, including Medicare and Medicaid, private health insurers and other third-party payors provide coverage for and establish adequate coverage of and reimbursement levels for our product candidates. Government authorities, private health insurers and other organizations generally decide which drugs they will pay for and establish reimbursement levels for healthcare. In particular, in the United States, private health insurers and other third-party payors often provide reimbursement for products and services based on the level at which the government provides reimbursement through the Medicare or Medicaid programs for such products and services. In the United States, the European Union and other potentially significant markets for our product candidates, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, particularly for new and innovative products and therapies, which often has resulted in average selling prices lower than they would otherwise be. Further, the increased emphasis on managed healthcare in the United States and on country and regional pricing and reimbursement controls in the European Union will put additional pressure on product pricing, reimbursement and utilization, which may adversely affect our future product sales and results of operations. These pressures can arise from rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare, Medicaid and healthcare reform, pharmaceutical coverage and reimbursement policies and pricing in general. Patients who are prescribed treatments for

their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Sales of our product candidates will therefore depend substantially, both domestically and abroad, on the extent to which the costs of our products will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, such as Medicare and Medicaid, private health insurers and other third-party payors.

Third-party payors are increasingly imposing additional requirements and restrictions on coverage and limiting reimbursement levels for medical products, including pharmaceuticals. For example, federal and state governments reimburse covered prescription drugs at varying rates generally below average wholesale price. These restrictions and limitations influence the purchase of healthcare services and products. Third-party payors are developing increasingly sophisticated methods of controlling healthcare costs. Third-party payors may limit coverage to specific drug products on an approved list, or formulary, which might not include all of the FDA-approved drug products for a particular indication. Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. We may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain FDA approvals. Our product candidates may not be considered medically necessary or cost-effective. Moreover, a payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in drug development for a product candidate. Legislative proposals to reform healthcare or reduce costs under government insurance programs may result in lower reimbursement for our product candidates or exclusion of our product candidates from coverage. The cost containment measures that healthcare payors and providers are instituting and any healthcare reform could significantly reduce our revenues from the sale of any approved product candidates. We cannot provide any assurances that we will be able to obtain and maintain third-party coverage or adequate reimbursement for our product candidates in whole or in part.

Healthcare Reform

Legislative proposals to reform healthcare or reduce costs under government healthcare programs may result in lower reimbursement for our product candidates or exclusion of our product candidates from coverage. There have been a number of legislative and regulatory changes to the healthcare system that could affect our ability to profitably sell our product candidates, if approved. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. For example, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or the MMA, expanded Medicare coverage for outpatient drug purchases by those covered by Medicare under a new Part D and authorized Medicare Part D prescription drug plans to use formularies whereby they can limit the number of drugs that will be covered in any therapeutic class. As a result of the MMA and the expansion of federal coverage of drug products, there is additional pressure to contain and reduce costs. While

the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own payment rates. Any reduction in Medicare payments may result in a similar reduction in payments from non-governmental payors.

In March 2010, the ACA was enacted, which included provisions that have the potential to substantially change healthcare financing by both governmental and private insurers. The ACA, among other things, revised the methodology by which rebates owed by manufacturers to the Medicaid program for covered outpatient drugs under the Medicaid Drug Rebate Program are calculated, increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program, extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations, subjected manufacturers to new annual fees and taxes for certain branded prescription drugs, and provided incentives to programs that increase the federal government's comparative effectiveness research. We cannot predict the full impact of the ACA on our business. Although the ACA may negatively increase manufacturers' rebate obligations under the Medicaid Drug Rebate Program, the ACA also extended coverage to millions of previously uninsured people, which may result in an increase in the demand for our product candidates.

The ACA provisions on comparative clinical effectiveness research extended the initiatives of the American Recovery and Reinvestment Act of 2009, also known as the stimulus package, which provided $1.1 billion in funding to study the comparative effectiveness of healthcare treatments. This funding was designated for, among other things, conducting, supporting or synthesizing research that compares and evaluates the risks and benefits, clinical outcomes, effectiveness and appropriateness of products. The ACA also appropriated additional funding to comparative clinical effectiveness research. Although Congress has indicated that this funding is intended to improve the quality of healthcare, it remains unclear how the research will impact current Medicare coverage and reimbursement or how new information will influence other third-party payor policies.

It is possible that comparative effectiveness research demonstrating benefits in a competitor's product could adversely affect the sales of our product candidates. If third-party payors do not consider our product candidates to be cost-effective compared to other available therapies, they may not cover our product candidates, once approved, as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our product candidates on a profitable basis.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. In August 2011, President Obama signed into law the Budget Control Act of 2011, as amended, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend proposals in spending reductions to Congress. The Joint Select Committee on Deficit Reduction did not achieve its targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reductions to several government programs. These reductions include aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, further reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These and other healthcare reform

initiatives may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on our financial operations. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could further limit the prices we are able to charge, or the amounts of reimbursement available, for our product candidates if they are approved.

The Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act, or FCPA, prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. Activities that violate the FCPA, even if they occur wholly outside the United States, can result in criminal and civil fines, imprisonment, disgorgement, oversight and debarment from government contracts.

Foreign Regulation

In order to market any product outside of the United States, we would need to comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of our products. For example, in the European Union, we must obtain authorization of a clinical trial application, or CTA, in each member state in which we intend to conduct a clinical trial. Whether or not we obtain FDA approval for a product, we would need to obtain the necessary approvals by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country may negatively impact the regulatory process in others.

Research and Development

Conducting research and development is central to our business model. We have invested and expect to continue to invest significant time and capital in our research and development operations. Our research and development expenses were $17.4 million for 2012 and $9.2 million for 2013. We plan to increase our research and development expenses for the foreseeable future as we seek to begin and complete our new Phase 3 clinical trial for Twirla and subsequently advance the development of our other product candidates.

Intellectual Property

We strive to protect the proprietary technologies that we believe are important to our business, including seeking and maintaining patent protection intended to cover our Skinfusion technology, its methods of use, related technologies and other inventions that are important to our business. As more fully described below, our patents and patent applications are directed to our Skinfusion technology or aspects thereof including certain transdermal delivery systems having an active adhesive matrix and methods of using such transdermal delivery systems for controlling fertility. We also rely on manufacturing trade secrets and careful monitoring of our proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

Our success will depend significantly on our ability to obtain new patents and maintain existing patents and other proprietary protection for commercially important technology, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing valid and enforceable patents and other proprietary rights of third parties.

A third party may hold intellectual property, including patent rights, which are important or necessary to the development of our product candidates. It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our product candidates, in which case we would be required to obtain a license from these third parties on commercially reasonable terms, or our business could be harmed, possibly materially. If we were not able to obtain a license, or were not able to obtain a license on commercially reasonable terms, our business could be harmed, possibly materially.

We plan to continue to expand our intellectual property estate by filing patent applications directed to novel transdermal contraceptive products. The active pharmaceutical ingredients, or API, in our product candidates are generic and therefore our patents do not include claims directed solely to the API. We anticipate seeking additional patent protection in the United States and internationally for additional transdermal delivery systems and methods of their use.

The patent positions of pharmaceutical companies like us are generally uncertain and involve complex legal, scientific and factual questions. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and the patent's scope can be modified after issuance. Consequently, we do not know whether any of our product candidates will remain protected by enforceable and valid patents. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. Any patents that we hold may be challenged, circumvented or invalidated by third parties.

Because patent applications in the United States and certain other jurisdictions generally are maintained in secrecy for 18 months, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, we cannot be certain of our entitlement to patent rights in the inventions covered in our issued patents and pending patent applications. Moreover, we may have to participate in interference proceedings declared by the U.S. Patent and Trademark Office, USPTO, to determine priority of invention, or in post-grant challenge proceedings in the USPTO or a foreign patent office such as oppositions, reexamination, inter-partes review, post grant review, or a derivation proceeding, that challenge our entitlement to an invention or the

patentability of one or more claims in our patent applications or issued patents. Such proceedings could result in substantial cost, even if the eventual outcome is favorable to us.

More specifically, Twirla is a transdermal contraceptive hormone delivery system. The system is a patch for application to the skin and contains two API, the hormones levonorgestrel, which is a synthetic progestin, and ethinyl estradiol, a synthetic estrogen. The API are formulated with a combination of skin penetration enhancers, which promote penetration through the dermis and into the bloodstream, such that effective blood levels of the active agents are achieved to suppress ovulation and thereby prevent pregnancy. One of our other product candidates, AG890, is similar to Twirla, except that it contains only a single API, LNG.

In both our Twirla product candidate line and in AG890, the active adhesive system consists of the active ingredients in a polyacrylate adhesive polymer matrix comprising the permeation enhancers dimethylsulfoxide, ethyl lactate, capric acid and lauryl lactate. The active blend is coated onto a release liner, and a backing layer is added on top of the active blend. The peripheral adhesive system comprising three layers is added onto the backing layer. The overlay comprises a polyisobutylene adhesive layer, an acrylic adhesive layer, and an overlay covering. The overlay covering is a commercially available silk-like polyester fabric. The adhesive components of the overlay, in addition to their adhesive function, create an in situ seal with the disposable release liner, trapping evaporable solvents in the active blend, thereby extending the usable shelf life of the product candidate and contributing to the comfort and effectiveness of the transdermal system during use. Prior to use of any of our product candidates, the release liner is removed by the user and discarded. The patch is then applied to the skin.

Five patents, issuing from three patent families, have been submitted to the FDA for listing in the Orange Book upon approval of Twirla. These patents include claims directed to transdermal delivery systems having an active adhesive matrix and claims directed to methods of controlling fertility by applying such transdermal delivery systems, and in all cases including a skin permeation enhancer. Four of our five issued U.S. patents will expire March 14, 2021. The fifth issued U.S. patent will expire August 26, 2028.

U.S. Patent No. 7,045,145 is directed to the wet formulation of the transdermal delivery system used in Twirla, prior to drying, and expires in March 2021. U.S. Patent No. 7,384,650, U.S. Patent No. 8,221,784, and U.S. Patent No. 8,221,785 are all directed to the dry final product formulation of the transdermal delivery system used in Twirla, and expires in March 2021. U.S. Patent No. 8,221,784 covers both Twirla and AG890. Foreign counterparts to these patents have been granted in Australia, Canada, China, Europe, India, Indonesia, Israel, Japan, Korea, Mexico, New Zealand, Norway, the Philippines, South Africa and Taiwan and are pending in other countries.

U.S. Patent No. 8,246,978 is directed to structural features of the transdermal delivery system used in Twirla and AG890 patch design for transdermal delivery of hormones or of other drugs. As such, this patent protects a platform technology for delivery of LNG, EE, other hormones, and other drugs. This patent expires in August 2028. Foreign counterparts are issued in New Zealand and are pending elsewhere.

A continuation application of this U.S. patent, U.S. Patent Application Publication No. 20130018337, has been allowed by a U.S. patent examiner and is expected to be issued soon.

When issued, we expect to submit it for listing in the Orange Book. If granted, this patent would also expire in August 2028.

In addition, we own 40 issued patents in jurisdictions other than the United States, including patents in New Zealand, Australia, Canada, Austria, Belgium, Cyprus, Denmark, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Monaco, the Netherlands, Portugal, Spain, Sweden, Switzerland, Turkey, Indonesia, Israel, India, Japan, South Korea, Mexico, Norway, the Philippines, Taiwan and South Africa. These issued foreign patents include claims directed to transdermal delivery systems having an active adhesive matrix and claims directed to methods of controlling fertility by applying such transdermal delivery systems, and in all cases including a skin permeation enhancer. In addition, we have 33 pending patent applications in the United States and certain foreign jurisdictions for Twirla and AG890, and for unique patch dosage regimens intended to align with future label expansions and line extensions, such as AG200-ER and AG200-SP, including an anti-oxidant formulation and a desogestrel patch.

Regulatory Exclusivity

Our NDA for Twirla was submitted under Section 505(b)(2) of the FDCA. Even though Twirla utilizes API that were previously approved in the United States, Twirla utilizes LNG in a new dosage form, specifically a transdermal patch, and we provided new clinical data essential to approval in our NDA to establish the safety and efficacy of Twirla. Therefore, if approved by the FDA, we expect to receive three years of U.S. marketing exclusivity for Twirla. The exclusivity will prohibit the FDA from approving ANDAs and 505(b)(2) NDAs for the conditions of the Twirla approval. We will consider whether we are going to pursue patent term restoration, however, we are unsure whether such efforts will be successful.

Employees

As of March 17, 2014, we had 11 full-time employees. None of our employees is represented by a collective bargaining agreement and we have never experienced any work stoppage. We believe that we maintain good relations with our employees.

Properties

Our principal offices occupy approximately 7,000 square feet of leased office space in Princeton, New Jersey pursuant to a lease agreement that expires in November 2015. We believe that our current facilities are suitable and adequate to meet our current needs. We intend to add new facilities or expand existing facilities as we add employees, and we believe that suitable additional or substitute space will be available as needed to accommodate any such expansion of our operations.

Legal Proceedings

We are not currently a party to any legal proceedings; however, we may become involved in various claims and legal actions arising in the ordinary course of business.

MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information about our executive officers and directors, including their ages, as of March 17, 2014.

Name	Age	Position(s)
Executive Officers:		
Alfred (Al) Altomari	55	President, Chief Executive Officer and Director
Elizabeth Garner, M.D., M.P.H.	46	Senior Vice President and Chief Medical Officer
Scott M. Coiante	47	Vice President and Chief Financial Officer
Katie MacFarlane, Pharm.D.	48	Chief Commercial Officer
Non-Employee Directors:		
Abhijeet Lele(1)(2)(3)	48	Director
Karen Hong, Ph.D.(1)(2)(3)	42	Director
Lorenzo Pellegrini, Ph.D.(1)	46	Director
Andrew Schiff, M.D.(1)(2)	48	Director

(1) Member of the compensation committee.

(2) Member of the audit committee.

(3) Member of the nominating and corporate governance committee.

The following paragraphs provide information as of the date of this prospectus about our executive officers and directors. The information presented includes information about each of our directors' specific experience, qualifications, attributes and skills that led our board of directors to the conclusion that he should serve as a director.

Alfred Altomari has served as our Chief Executive Officer and as a member of our board of directors since October 2010. Prior to being named President and Chief Executive Officer, Mr. Altomari served as Agile's Executive Chairman from 2004 to 2010. From 2008 to September 2010, Mr. Altomari was also a consultant. From 2003 to 2008, Mr. Altomari held multiple senior management positions at Barrier Therapeutics, Inc., including Chief Commercial Officer, Chief Operating Officer, and Chief Executive Officer. In 2008, in his role as Chief Executive Officer and as a member of Barrier's board of directors, Mr. Altomari completed the successful sale of Barrier to Stiefel Laboratories, which was subsequently acquired by GlaxoSmithKline plc. From 1982 to 2003, Mr. Altomari held numerous executive roles in general management, commercial operations, business development, product launch preparation, and finance with Johnson & Johnson. Mr. Altomari also serves on the board of directors of Insmed Inc. and Recro Pharma, Inc. Mr. Altomari received an M.B.A. from Rider University and his B.S. from Drexel University. We believe that Mr. Altomari's experience in pharmaceutical companies with commercialized products, the launch of certain products and more than 20 years of focus on the development and marketing of specialty pharmaceutical products makes him uniquely suited to guide the Board in strategic planning, operational and commercial matters.

Elizabeth Garner, M.D., M.P.H. has served as our Chief Medical Officer since January 2014. Previously, she served as Vice President, Medical Affairs, Women's Health and Preventive Care at

Myriad Genetics Laboratories from 2012 to 2014. From 2011 to 2012, she was Senior Medical Director, Women's Health at Abbott Laboratories where she served as the Clinical Lead, Endometriosis Program. Prior to that, Dr. Garner served as Associate Director and then Director, Vaccines Clinical Research at Merck Research Laboratories from 2007 to 2011. Dr. Garner received joint M.D. and M.P.H degrees from Harvard Medical School and the School of Public Health. She completed her residency in obstetrics and gynecology at Brigham and Women's/Massachusetts General Hospitals; her subspecialty fellowship in gynecologic oncology at Brigham and Women's and the Dana Farber Cancer Institute; and received board certification in both general Obstetrics and Gynecology and Gynecologic Oncology. Prior to entering the pharmaceutical industry, she had several years of experience in academic clinical practice, research and teaching at Harvard Medical School.

Scott M. Coiante has served as our Vice President and Chief Financial Officer since June 2011. He joined us in December 2010 and served as our Vice President of Finance between then and June 2011. Beginning in 2005, he served as Vice President Finance, Treasurer, Principal Accounting Officer at Medarex, Inc., a publicly listed biopharmaceutical company, which Bristol-Myers Squibb Co., acquired in September 2009 and during 2002 through 2005, he served as Director of Finance. While at Medarex, he was responsible for corporate financial functions including treasury, accounting, SEC reporting, tax and assurance. From 1989 to 2002, he held management positions of increasing responsibilities at Ernst & Young LLP, which included managing audit engagements, financial preparation, and financial reporting for client public offerings, both initial and follow-on, and SEC registration filing statements for both public and private companies, predominantly within the life science and pharmaceutical industries. He holds a B.S. in accounting from Villanova University.

Katie MacFarlane, Pharm.D. has been our primary commercial advisor since 2009, and most recently, became our Chief Commercial Officer in March 2014. Ms. MacFarlane also serves as a Managing Partner of SmartPharma LLC., a pharmaceutical consulting firm specializing in new product commercialization since 2007. Previously, she served as President and Chief Executive Officer at Xintria Pharmaceutical Corporation, a start-up company in the development of berberine for treatment of dyslipidemia and Type II diabetes from 2006 to 2008. Prior to that, Ms. MacFarlane served as Vice President of Women's Health and New Product Planning at Warner Chilcott, an international pharmaceutical company focused on women's healthcare, dermatology and urology from 2001 to 2006. From 1991 to 2000, she served in management positions of increasing responsibility in clinical research, marketing and sales management positions with the Parke-Davis, a division of Warner-Lambert and also held the position of Regional Sales Director and was responsible for sales force planning and implementation, including the integration with Pfizer, Inc., following the merger in 2000. Ms. MacFarlane received her B.S. degree in Pharmacy and Doctor of Pharmacy from Purdue University and completed a Postdoctoral Fellowship in Industrial Pharmacy Practice with Rutgers University and Hoffmann-LaRoche.

Abhijeet Lele has been a member of our board of directors since May 2010. Since 2009, Mr. Lele has served as a Managing Director and Head of Healthcare Investing at Investor Growth Capital, or IGC. IGC focuses on late-stage venture capital and growth equity investments in healthcare and technology companies. Before joining IGC, Mr. Lele spent ten years as a Managing Member of EGS Healthcare Capital Partners, or EGS, a venture capital firm focusing

on private and public investments in biotechnology, specialty pharmaceutical and medical device companies. Prior to EGS, Mr. Lele was a consultant at McKinsey & Co., where he primarily served medical device, pharmaceutical and health insurance clients. He previously held operating positions with Lederle Laboratories, Inc., Progenics Pharmaceuticals, Inc. and Clontech Laboratories, Inc.. Mr. Lele previously served on the board of directors of Stereotaxis, Inc., Medarex Inc. and Aptalis Pharma Inc. He received an M.B.A. with Distinction from Cornell University and an M.A. from Cambridge University, where he studied Natural Sciences. We believe Mr. Lele's years of experience in the venture capital and healthcare industries make him qualified to serve on our Board.

Karen Hong, Ph.D. has served as a member of our board of directors since May 2006. Dr. Hong joined ProQuest Investments in 2001, was promoted to Principal in 2004, and to Partner in 2013. She and her team at ProQuest have guided over thirty investments to a successful exit and Dr. Hong has led working teams on many of these exits. Prior to joining ProQuest Investments, Dr. Hong provided technical consultation to the healthcare group at BancBoston Ventures and conducted biomedical research in cancer and mammalian genetics. Dr. Hong also serves on the board of directors of Clarus Therapeutics. Dr. Hong received a B.S. in chemistry and a B.A. in molecular biology from the University of California at Berkeley. She received a Ph.D. in biology from the Massachusetts Institute of Technology. Dr. Hong's scientific background and business experience, coupled with her experience as a venture capitalist advising life science and technology companies, provides her with the qualifications and skills to serve as a director.

Lorenzo Pellegrini, Ph.D. has served as a member of our board of directors since May 2010. Dr. Pellegrini currently serves as a Partner at Care Capital, a life sciences venture capital, where he joined the firm in 2003. Previously, from 1997 to 2001, Dr. Pellegrini was a post-doctoral research fellow in the Department of Cell Biology at Yale University, where he investigated the molecular basis of neuronal signaling and receptor internalization. During his ten-year tenure as an academic research scientist, Dr. Pellegrini published original research in several leading peer-reviewed scientific journals and was awarded a number of awards, including EMBO and Howard Hughes Medical Institute fellowships. Dr. Pellegrini holds a Laurea in Chemistry, summa cum laude, from the University of Padova, Italy, and a Ph.D. in Biochemistry from the Max-Planck-Institute for Brain Research in Frankfurt am Main, Germany, and an M.B.A. with Honors from The Wharton School of the University of Pennsylvania. We believe that Dr. Pellegrini's specialized experience in the biochemistry and chemistry disciplines, as well as his investment experience, make him qualified to serve on our Board.

Andrew Schiff, M.D. has served as a member of our board of directors since July 2012. Dr. Schiff joined Aisling Capital, a healthcare focused private equity firm, in September of 1999 and has served as a Managing Partner since 2002. Prior to Aisling Capital, Dr. Schiff practiced internal medicine at The New York Presbyterian Hospital where he maintains his position as a Clinical Assistant Professor of Medicine. Dr. Schiff currently serves as a director of Zeltiq Aesthetics as well as several other portfolio companies. Dr. Schiff received his M.D. from Cornell University Medical College, his M.B.A. from Columbia University, and his B.S. with honors in Neuroscience from Brown University. He is a long-time supporter of the Visiting Nurse Service of New York as well as other charitable organizations. We believe Dr. Schiff's medical background, venture experience, and myriad of directorships make him qualified to serve on our Board.

As of the date of this prospectus, our board of directors recommended for election the following nominee to our board of directors contingent and effective upon the consummation of this offering:

Name	Age	Position(s)
William T. McKee	52	Director

William T. McKee was nominated to serve on our board of directors contingent and effective upon the consummation of this offering. Mr. McKee served as Chief Operating Officer and Chief Financial Officer for EKR Therapeutics, Inc., or EKR, from July 2010 until June 2012 when EKR was sold to Cornerstone Therapeutics Inc., or Cornerstone. He has served as a financial consultant to Cornerstone from June 2012 to the present. Until March 2010, Mr. McKee served as the Executive Vice President and Chief Financial Officer of Barr Pharmaceuticals, LLC, a subsidiary of Teva Pharmaceutical Industries Limited, or Teva, and the successor entity to Barr Pharmaceuticals, Inc., or Barr, an NYSE listed company, which was acquired by Teva in December 2008. Mr. McKee was also Executive Vice President and Chief Financial Officer of Barr prior to its acquisition by Teva, after having served in positions of increasing responsibility at Barr from 1995 until its acquisition. Prior to joining Barr, Mr. McKee served as Director of International Operations and Vice President-Finance at Absolute Entertainment, Inc. from June 1993 until December 1994. From 1990 until June 1993, Mr. McKee worked at Gramkow & Carnevale, CPA's, and from 1983 until 1990, he worked at Deloitte & Touche. Mr. McKee currently serves as a director of Auxilium Pharmaceuticals, Inc. Mr. McKee received his Bachelor of Business Administration degree from the University of Notre Dame. Through his years of experience as a chief financial officer and a public accountant, Mr. McKee will provide valuable financial and leadership experience to the Board.

Composition of our Board of Directors

Our board of directors currently consists of five members, each of whom are members pursuant to the board composition provisions of our certificate of incorporation and our stockholders agreement, which agreement is described under "Certain Relationships and Related Party Transactions" in this prospectus. These board composition provisions will terminate upon the closing of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our nominating and corporate governance committee and board of directors may therefore consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity, which is not only limited to race, gender or national origin. We have no formal policy regarding board diversity. Our nominating and corporate governance committee's and board of directors' priority in selecting board members is identification of persons who will further the interests of our stockholders through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, and professional and personal experiences and expertise relevant to our growth strategy.

Immediately prior to the closing of this offering, our board of directors will be divided into three staggered classes of directors of the same or nearly the same number and each will be assigned to one of the three classes. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose

terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2014 for Class I directors, 2015 for Class II directors and 2016 for Class III directors.

- Our Class I directors will be and ;
- Our Class II directors will be and ; and
- Our Class III directors will be and .

Our amended and restated certificate of incorporation and amended and restated by-laws provide that the number of our directors shall be fixed from time to time by a resolution of the majority of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class shall consist of one third of the board of directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent stockholder efforts to effect a change of our management or a change in control.

Board Leadership Structure

The board of directors does not currently have a Chairman of the Board. We have a separate chair for each committee of our board of directors. The chairs of each committee are expected to report annually to our board of directors on the activities of their committee in fulfilling their responsibilities as detailed in their respective charters or specify any shortcomings should that be the case.

Director Independence

Under the listing requirements and rules of the NASDAQ Global Market, or NASDAQ, independent directors must compose a majority of a listed company's board of directors within a one year period following the completion of this offering. In addition, applicable NASDAQ rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees must be independent within the meaning of applicable NASDAQ rules. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act.

In 2014, our board of directors undertook a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director and the association of our directors with the holders of more than 5% of our common stock. As a result of this review, our board of directors determined that Dr. Hong, Mr. Lele, Dr. Pellegrini and Dr. Schiff qualify as "independent" directors within the meaning of the NASDAQ rules. Although NASDAQ rules require that a majority of the board of directors and each member of our audit, compensation and nominating and corporate governance committees must be independent, under special phase-in rules applicable to new public companies, we will have until one year from the

effective date of our initial public offering to comply with these independence requirements. As required under applicable NASDAQ rules, we anticipate that our independent directors will meet in regularly scheduled executive sessions at which only independent directors are present. There are no family relationships among any of our directors or executive officers.

Committees of our Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which operates pursuant to a charter adopted by our board of directors. Upon the closing of this offering, the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act of 2002, the NASDAQ Global Market and the SEC rules and regulations.

Audit committee. Dr. Schiff, Dr. Hong and Mr. Lele currently serve on the audit committee, which is chaired by Dr. Schiff. Our board of directors has determined that Dr. Schiff is "independent" for audit committee purposes as that term is defined in the rules of the SEC and the applicable NASDAQ Global Market rules, and has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our board of directors has designated Dr. Schiff as an "audit committee financial expert," as defined under the applicable rules of the SEC. Our board has determined that Dr. Hong and Mr. Lele satisfy the independence requirements under applicable NASDAQ Global Market and SEC rules applicable to members of audit committees. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and NASDAQ and which will be available on our website prior to the completion of this offering at www.agiletherapeutics.com. The inclusion of our website address here and elsewhere in this prospectus does not include or incorporate by reference the information on our website into this prospectus. The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- pre-approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the overall audit plan with the independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending based upon the audit committee's review and discussions with management and the independent registered public accounting firm whether our audited financial statements shall be included in our Annual Report on Form 10-K;

- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement;
- reviewing all related person transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing quarterly earnings releases and scripts.

Compensation committee. Dr. Schiff, Dr. Hong, Dr. Pellegrini and Mr. Lele currently serve on the compensation committee, which is chaired by Mr. Lele. Our board of directors has determined that each member of the compensation committee is "independent" as defined in the applicable NASDAQ Global Market rules. The compensation committee operates under a written charter that satisfies the applicable standards of NASDAQ and which will be available on our website prior to the completion of this offering at www.agiletherapeutics.com. The inclusion of our website address here and elsewhere in this prospectus does not include or incorporate by reference the information on our website into this prospectus. The compensation committee's responsibilities include:

- annually reviewing and making recommendations to the board of directors with respect to corporate goals and objectives relevant to the compensation of our chief executive officer;
- evaluating the performance of our chief executive officer in light of such corporate goals and objectives and making recommendations to the board of directors with respect to the compensation of our chief executive officer;
- reviewing and approving the compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our compensation and similar plans;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and making recommendations to the board of directors with respect to director compensation;
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K; and
- reviewing and discussing with the board of directors corporate succession plans for the chief executive officer and other key officers.

Nominating and corporate governance committee. Dr. Hong and Mr. Lele currently serve on the nominating and corporate governance committee, which is chaired by Dr. Hong. Our board of directors has determined that each member of the nominating and corporate governance committee is "independent" as defined in the applicable NASDAQ Global Market rules. The nominating and corporate governance committee operates under a written charter that satisfies the applicable standards of NASDAQ and which will be available on our website prior to the completion of this offering at www.agiletherapeutics.com. The inclusion of our website address here and elsewhere in this prospectus does not include or incorporate by reference the

information on our website into this prospectus. The nominating and corporate governance committee's responsibilities include:

- developing and recommending to the board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- reviewing the size and composition of the board of directors to ensure that it is composed of members containing the appropriate skills and expertise to advise us;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees;
- developing and recommending to the board of directors a code of business conduct and ethics and a set of corporate governance guidelines;
- developing a mechanism by which violations of the code of business conduct and ethics can be reported in a confidential manner; and
- overseeing the evaluation of the board of directors and management

Our board of directors may from time to time establish other committees.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Upon the closing of this offering, our code of business conduct and ethics will be available on our website at www.agiletherapeutics.com. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website.

Board Leadership Structure and Board's Role in Risk Oversight

The board of directors does not currently have a chairman of the board. However, in the past, the positions of chairman of the board and chief executive officer have historically been separated at Agile. We believe that separating these positions allows our chief executive officer to focus on our day-to-day business, while allowing the chairman of the board to lead the board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors recognizes the time, effort and energy that the chief executive officer is required to devote to his position in the current business environment, as well as the commitment

required to serve as our chairman, particularly as the board of directors' oversight responsibilities continue to grow. While our amended and restated by-laws and corporate governance guidelines do not require that our chairman and chief executive officer positions be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including risks relating to our operations, strategic direction and intellectual property as more fully discussed under "Risk Factors" in this prospectus. Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The role of the board of directors in overseeing the management of our risks is conducted primarily through committees of the board of directors, as disclosed in the descriptions of each of the committees above and in the charters of each of the committees. The full board of directors (or the appropriate board committee in the case of risks that are under the purview of a particular committee) discusses with management our major risk exposures, their potential impact on Agile, and the steps we take to manage them. When a board committee is responsible for evaluating and overseeing the management of a particular risk or risks, the chairman of the relevant committee reports on the discussion to the full board of directors during the committee reports portion of the next board meeting. This enables to the board of directors and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Limitation of Liability and Indemnification Arrangements

As permitted by the Delaware General Corporation Law, we have adopted provisions in our amended and restated certificate of incorporation and amended and restated by-laws that limit or eliminate the personal liability of our directors. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any unlawful payments related to dividends or unlawful stock repurchases, redemptions or other distributions; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our amended and restated by-laws provide that:

- we will indemnify our directors, officers and, in the discretion of our board of directors, certain employees to the fullest extent permitted by the Delaware General Corporation Law; and
- advance expenses, including attorneys' fees, to our directors and, in the discretion of our board of directors, to our officers and certain employees, in connection with legal proceedings, subject to limited exceptions.

We also expect to enter into indemnification agreements with each of our executive officers and directors in connection with this offering. These agreements will provide that we will indemnify each of our directors to the fullest extent permitted by the Delaware General Corporation Law and advance expenses to each indemnitee in connection with any proceeding in which indemnification is available.

We also maintain general liability insurance to provide insurance coverage to our directors and officers for losses arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act of 1933, as amended, or the Securities Act. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling the registrant pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

These provisions may discourage stockholders from bringing a lawsuit against our directors in the future for any breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors, officers and certain employees pursuant to these indemnification provisions. We believe that these provisions, the indemnification agreements and the insurance are necessary to attract and retain talented and experienced directors and officers.

At present, there is no pending litigation or proceeding involving any of our directors, officers or employees in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that might result in a claim for such indemnification.

EXECUTIVE AND DIRECTOR COMPENSATION

Summary Compensation Table

The following table sets forth the compensation paid or accrued during the fiscal year ended December 31, 2013 to (i) our chief executive officer, (ii) our other executive officer who was serving as an executive officer as of December 31, 2013, and (iii) our former Chief Medical Officer, who would have been one of the two highest-paid executive officers of the Company had she been employed by the Company as an executive officer at the end of the 2013 fiscal year. We refer to the foregoing as our named executive officers. We had no executive officers other than the named executive officers during the 2013 fiscal year.

Name and Principal Position	Salary ($)	Bonus ($)	Option Awards ($)(3)	All Other Compensation ($)	Total ($)
Alfred Altomari, ***President and Chief Executive Officer, Director***	$ 325,000	$ 65,000(1)	—	—	$ 390,000
Scott M. Coiante, ***Chief Financial Officer***	$ 225,000	$ 45,000(2)	—	—	$ 270,000
Marie Foegh, M.D. (4) ***Chief Medical Officer***	$ 187,500	—	$ 120,559(5)	$ 77,500(6)	$ 385,559

(1) Represents a discretionary bonus award earned by Mr. Altomari as a result of our performance in the 2013 fiscal year. Based on Mr. Altomari's election, all of the discretionary bonus award was paid in the form of 5,794 shares of our common stock on March 12, 2014. For further information, see "— *2013 Bonus Program*" below.

(2) Represents a discretionary bonus award earned by Mr. Coiante as a result of our performance in the 2013 fiscal year. Based on Mr. Coiante's election, $30,000 of the discretionary bonus award was paid in cash, and the remaining portion of the bonus award was paid in the form of 1,337 shares of our common stock on March 12, 2014. For further information, see "— *2013 Bonus Program*" below.

(3) In accordance with SEC rules, this column reflects the aggregate grant date fair value of the option awards granted during fiscal year 2013 computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 for stock-based compensation transactions (ASC 718). Assumptions used in the calculation of these amounts are included in Note 9 to our Financial Statements. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.

(4) Dr. Foegh's employment with the Company as its Chief Medical Officer ended effective September 30, 2013. On October 1, 2013, Dr. Foegh began a consulting relationship with the Company. For further information, see "— *Dr. Marie Foegh*" below.

(5) Represents an option granted to Dr. Foegh pursuant to the terms of her consulting agreement with the Company. For further information, see "— *Dr. Marie Foegh*" below.

(6) Represents $15,000 of commuting assistance bonuses paid to Dr. Foegh from January 1, 2013 to September 30 , 2013 and $62,500 of salary continuation payments made to Dr. Foegh from October 1, 2013 to December 31, 2013 in connection with her separation from employment as Chief Medical Officer of the Company. For further information, see "— *Dr. Marie Foegh*" below.

Arrangements with Our Named Executive Officers

2013 Bonus Program

In order to recognize the significant and numerous contributions of the executive officers and other key employees to the Company during the 2013 year, the Compensation Committee awarded discretionary bonuses in March 2014. In determining the amount to be paid to each executive officer, the Board of Directors considered the Company's performance in three areas: cash management, regulatory success and cultivation of strategic partnerships. In order to conserve the Company's cash reserves, all executive officers were provided with the opportunity to elect to receive shares of the Company's common stock in lieu of the cash bonus the officer otherwise would have received, based on the fair market value of the Company's common stock at the time the bonus was paid, as determined in good faith by our board of directors with the assistance of a third party valuation analysis.

Arrangements with Our Named Executive Officers

Alfred Altomari

On October 11, 2010, we entered into an agreement to employ Alfred Altomari as our Chief Executive Officer commencing as of that date. Prior to such time, Mr. Altomari served as the Executive Chairman of our Board of Directors. Mr. Altomari's employment agreement was amended on December 18, 2012, and has no specified term. Pursuant to the terms of the agreement, Mr. Altomari receives an annual base salary of $325,000, which may be adjusted at the discretion of the board of directors. Mr. Altomari is also eligible for an annual merit bonus with a target bonus opportunity of 40% of his base salary, payable at the discretion of the board of directors, if he achieves certain mutually agreed upon performance milestones established each fiscal year.

Pursuant to the terms of his employment agreement, we granted an option to Mr. Altomari under our 2008 Equity Incentive Plan to purchase 158,642 shares of common stock in December 2010. Mr. Altomari's option is subject to vesting through October 11, 2014. As of December 31, 2013, 127,794 shares subject to the option were vested and exercisable, and the remaining 30,848 shares shall vest and become exercisable in equal monthly installments through October 11, 2014. In addition, in the event of a change in control, Mr. Altomari's stock option to purchase 158,642 shares of the Company's common stock will become fully vested and exercisable. Mr. Altomari also holds options granted to him during his service as member of the Board of Directors prior to his employment as Chief Executive Officer of the Company and an option granted to him in 2012. For information regarding the treatment of Mr. Altomari's other stock options in the event of a change in control, please see "— *2008 Equity Incentive Plan*" and "— *1997 Equity Incentive Plan*" below.

Payments Upon Termination Absent a Change in Control.

If Mr. Altomari terminates his employment for good reason or if we terminate his employment without reasonable cause (for any reason other than disability), in either case in the absence of a change in control, he is entitled to receive the following severance benefits: (i) base salary continuation for a period of 12 months, and (ii) benefit continuation for a period of 12 months following the date of his termination or until Mr. Altomari obtains other employment, whichever is sooner. In the event of a change in control following his termination, any base salary continuation payments still due to Mr. Altomari shall paid in full upon the change in control.

In the event Mr. Altomari's employment terminates as a result of his disability, he will be entitled to receive (i) base salary continuation for a period of 6 months following the date of his termination, and (ii) reimbursement of Mr. Altomari's health insurance premiums for a period of 6 months following the date of his termination due to his disability.

Payments Upon Termination in Connection with a Change in Control.

If Mr. Altomari terminates his employment for good reason or if we terminate his employment without reasonable cause, in either case upon or within 6 months following a change in control, he is entitled to receive the following severance benefits: (i) a lump-sum cash payment in the amount of 1.5 times his then annual rate of base salary, and (ii) benefit continuation for a period of 12 months following the date of his termination or until Mr. Altomari obtains other employment, whichever is sooner.

Notwithstanding the foregoing, any payments and benefits that would otherwise be paid to Mr. Altomari (whether or not under his employment agreement) in connection with a change in control of the Company will be reduced to the extent necessary to ensure that he is not subject to any excise tax under Internal Revenue Code Section 4999 in connection with any change in control of the Company or his subsequent termination of employment.

Under Mr. Altomari's employment agreement, the terms below are generally defined as follows:

"Change in Control" means (i) a merger or consolidation in which 50% or more of the voting securities of the Company are transferred and the composition of the Board after such transaction constitutes less than 50% of the members of the Board prior to the transaction; (ii) any acquisition, directly or indirectly, of beneficial ownership of 50% or more of the total combined voting power of the Company, other than in a capital-raising transaction; or (iii) the sale, transfer, exclusive worldwide license or other disposition of all or substantially all of the assets of the Company.

"Good reason" means Mr. Altomari's resignation following notice to the Company of, and failure by the Company to cure, the occurrence of any of the following: (i) an office relocation of more than 50 miles; (ii) failure by the Company to comply with any material term of the employment agreement; or (iii) the demotion to a lesser position or substantial diminution of authority, duties or responsibilities, except for a reduction in title, position, responsibilities or duties solely by virtue of the Company being acquired and made part of, or operated as a subsidiary of, a larger company, so long as the new duties and responsibilities are commensurate with Mr. Altomari's experience.

"Reasonable cause" means (i) an act or omission that constitutes dishonesty, disloyalty, fraud, deceit, gross negligence, willful misconduct or recklessness and that is directly or indirectly materially detrimental to the Company's best interest; (ii) intentional failure to perform any lawful duties assigned by the Board after receiving notice and an opportunity to cure; (iii) the commission of any act that constitutes a felony; or (iv) any material breach of certain sections of the employment agreement.

The payment of any severance compensation described above is subject to Mr. Altomari's execution and non-revocation of a general release of claims against the Company, and his compliance with non-competition and non-solicitation restrictive covenants for a 1-year period following his termination date.

Scott M. Coiante

On November 23, 2010, the Company and Mr. Coiante executed an offer letter which governs the terms and conditions of Mr. Coiante's employment as Chief Financial Officer of the Company. Mr. Coiante's employment with the Company is at will and may be terminated at any time by the Company or Mr. Coiante. Pursuant to the terms of the offer letter, Mr. Coiante receives an annual base salary of $225,000. Mr. Coiante is also eligible for an annual bonus at a target rate of 25% of his base salary based on the achievement of individual and corporate objectives as determined by the board of directors. Upon the commencement of his employment on December 1, 2010, Mr. Coiante was paid a signing bonus of $10,000 pursuant to the terms of the offer letter.

In accordance with the terms of his offer letter, we granted an initial option to Mr. Coiante under our 2008 Equity Incentive Plan to purchase 17,047 shares of common stock in December 2010. As of December 31, 2013, 12,782 shares subject to the initial option were vested and exercisable, and the remaining 4,265 shares shall vest and become exercisable in equal monthly installments through December 2014. Pursuant to the terms of the offer letter, Mr. Coiante's initial stock option will become fully vested and exercisable in the event of a change in control, as defined in the Company's 2008 Equity Incentive Plan. Mr. Coiante also holds an option granted to him in 2012. For information regarding the treatment of Mr. Coiante's 2012 stock option in the event of a change in control, please see " — *2008 Equity Incentive Plan*" below.

Pursuant to the terms of his offer letter, in the event Mr. Coiante is terminated without cause by the Company, he is entitled to receive salary continuation payments for a period of 3 months following the date of his termination, subject to his execution of a release of all claims against the Company. Under Mr. Coiante's offer letter, "cause" is generally defined as the Company's reasonable belief that one or more of the following have occurred: (i) habitual intoxication or abuse of a controlled substance; (ii) conviction of a felony involving moral turpitude: (iii) adjudication as an incompetent; (iv) breach of any material term set forth in the offer letter or the Non-Disclosure Agreement entered into by Mr. Coiante; (v) violation in any material respect of the Company's rules, regulations or policies; (vi) gross insubordination; (vii) engaging in any conduct, action or behavior that has had or may have a material adverse effect on Mr. Coiante's or the Company's reputation; (ix) continued or repeated unexcused absence; or (x) misappropriation of Company funds or property, theft, embezzlement or fraud.

Marie Foegh, M.D.

On May 27, 2007, the Company and Dr. Foegh executed an offer letter providing the terms and conditions of Dr. Foegh's employment as the Chief Medical Officer of the Company. Dr. Foegh's employment as Chief Medical Officer ended on September 30, 2013 in accordance with the terms of a severance agreement and release dated September 30, 2013, and she began providing consulting services to the Company pursuant to a consulting agreement on October 1, 2013. Dr. Foegh earned $187,500 in base salary prior to September 30, 2013 and was paid salary continuation payments equaling $62,500 in the aggregate over the 3 month period measured from October 1, 2013 in accordance with her severance agreement.

In accordance with her consulting agreement, Dr. Foegh receives $350 per hour for her consulting services, and was granted an option to purchase 19,667 shares of common stock under the 2008 Equity Incentive Plan on October 1, 2013. 6,556 shares subject to Dr. Foegh's option will vest and become exercisable upon Dr. Foegh's continued service through September 30, 2014, and the remaining option shares will vest and become exercisable in 24 monthly installments over the 24-month period measured from October 1, 2014, provided that Dr. Foegh remains in service through each such vesting date. Pursuant to the terms of the offer letter, Dr. Foegh's stock option will become fully vested and exercisable in the event of a change in control, as defined in the Company's 2008 Equity Incentive Plan.

Elizabeth Garner, M.D., M.P.H.

On December 9, 2013 the Company and Dr. Garner executed an offer letter providing the terms and conditions of Dr. Garner's employment as our new Chief Medical Officer and Senior VP Clinical Development. Dr. Garner's employment with the Company is at will and may be terminated at any time by the Company or Dr. Garner. Pursuant to the terms of the offer letter, Dr. Garner is entitled to an annual base salary of $320,000 and is eligible for an annual bonus at a target rate of 25% of her base salary based on the achievement of individual and corporate objectives as determined by the board of directors. Upon the commencement of her employment on January 6, 2014, Dr. Garner was paid a signing bonus of $20,000; in addition, Dr. Garner is entitled to a quarterly $5,000 commuting allowance.

In accordance with the terms of her offer letter, we granted an initial option to Dr. Garner under our 2008 Equity Incentive Plan to purchase 44,600 shares of common stock. 22,300 of the shares subject to Dr. Garner's offer are subject to time-based vesting, with 25% of such option shares to vest and become exercisable upon Dr. Garner's completion of service to the Company through January 6, 2015, and the remaining option shares to vest and become exercisable in 36 equal monthly installments over the 36 month period thereafter. The remaining 22,300 shares subject of Dr. Garner's option shall vest and become exercisable following the completion of the Company's phase 3 clinical study of its Twirla contraceptive patch and the achievement of certain other related milestones. Pursuant to the terms of the offer letter, Dr. Garner's stock option will become fully vested and exercisable in the event of a change in control, as defined in the Company's 2008 Equity Incentive Plan.

Pursuant to the terms of her offer letter, in the event Dr. Garner is terminated without cause by the Company, she is entitled to receive, at the election of the Company, either salary continuation payments for a period of three months following the date of her termination or a

lump sum payment upon her termination equal to three months of her base salary, subject to her execution of a release of all claims against the Company. Under Dr. Garner's offer letter, "cause" is generally defined as the Company's reasonable belief that one or more of the following have occurred: (i) habitual intoxication or abuse of a controlled substance; (ii) conviction of a felony involving moral turpitude: (iii) adjudication as an incompetent; (iv) breach of any material term set forth in the offer letter or the Non-Disclosure Agreement entered into by Dr. Garner; (v) violation in any material respect of the Company's rules, regulations or policies; (vi) gross insubordination; (vii) engaging in any conduct, action or behavior that has had or may have a material adverse effect on Dr. Garner or the Company's reputation; (ix) continued or repeated unexcused absence; or (x) misappropriation of Company funds or property, theft, embezzlement or fraud. Any payments and benefits that would otherwise be paid to Dr. Garner (whether or not under her offer letter) will be reduced to the extent necessary to ensure that she is not subject to any excise tax under Internal Revenue Code Section 4999.

Katie MacFarlane, Pharm.D.

On March 12, 2014, the Company and Ms. MacFarlane executed an offer letter providing the terms and conditions of Ms. MacFarlane's employment as our Chief Commercial Officer. Ms. MacFarlane's employment with the Company is at will and may be terminated at any time by the Company or Ms. MacFarlane. Pursuant to the terms of the offer letter, Ms. MacFarlane is entitled to an annual base salary of $180,000 and is eligible for an annual bonus at a target rate of 25% of her base salary, based on the achievement of individual and corporate objectives as determined by the board of directors. Ms. MacFarlane commenced her employment with the Company on March 17, 2014; prior to such date she served in a substantially similar role in the capacity of a consultant to the Company.

In accordance with the terms of her offer letter, we granted an initial option to Ms. MacFarlane under our 2008 Equity Incentive Plan to purchase 10,000 shares of common stock in March 2014. Twenty five percent of such option shares will vest and become exercisable upon Ms. MacFarlane's completion of service to the Company through March 17, 2015, and the remaining option shares will vest and become exercisable in 36 equal monthly installments over the 36 month period thereafter. Pursuant to the terms of the offer letter, Ms. MacFarlane's stock option will become fully vested and exercisable in the event of a change in control, as defined in the Company's 2008 Equity Incentive Plan.

Pursuant to the terms of her offer letter, in the event Ms. MacFarlane is terminated without cause by the Company, she is entitled to receive salary continuation payments for a period of three months following the date of her termination, subject to her execution of a release of all claims against the Company. Under Ms. MacFarlane's offer letter, "cause" is generally defined as the Company's reasonable belief that one or more of the following have occurred: (i) habitual intoxication or abuse of a controlled substance; (ii) conviction of a felony involving moral turpitude: (iii) adjudication as an incompetent; (iv) breach of any material term set forth in the offer letter or the Non-Disclosure Agreement entered into by Ms. MacFarlane; (v) violation in any material respect of the Company's rules, regulations or policies; (vi) gross insubordination; (vii) engaging in any conduct, action or behavior that has had or may have a material adverse effect on Ms. MacFarlane or the Company's reputation; (ix) continued or repeated unexcused absence; or (x) misappropriation of Company funds or property, theft, embezzlement or fraud.

Any payments and benefits that would otherwise be paid to Ms. MacFarlane (whether or not under her offer letter) will be reduced to the extent necessary to ensure that she is not subject to any excise tax under Internal Revenue Code Section 4999.

Employee Confidentiality, Non-Competition, Non-Solicitation and Assignment Agreements

Each of our named executive officers has entered into a standard form agreement with respect to confidential information and assignment of inventions. Among other things, this agreement obligates each named executive officer to refrain from disclosing any of our proprietary information received during the course of employment and to assign to us any inventions conceived or developed during the course of employment. Such agreement also provides that during the period of the named executive officer's employment and for 12 months thereafter, the named executive officer will not compete with us or solicit our employees, consultants, customers or suppliers.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information regarding outstanding equity awards granted to our named executive officers that remain outstanding as of December 31, 2013.

		Option awards(1)			
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable(2)	Option Exercise Price Per Share ($)(3)	Option Expiration Date
Alfred Altomari	01/24/2004	2	—	2,700.00	01/24/2014
	08/27/2004	7	—	400.00	08/27/2014
	03/28/2006	1	—	400.00	03/28/2016
	10/17/2006	10	—	400.00	10/17/2016
	04/24/2008	11	—	400.00	04/24/2018
	08/01/2008	77	—	400.00	08/01/2018
	03/18/2010	11,815	—	1.00	03/18/2020
	12/09/2010	127,802	30,840(4)	2.47	12/09/2020
	12/06/2012	87,381	99,865(4)	6.13	12/06/2022
Marie Foegh, M.D.	10/01/2013	19,667	—	6.13	10/01/2023
Scott M. Coiante	12/09/2010	12,782	4,265(4)	2.47	12/09/2020
	12/06/2012	8,751	9,982(4)	6.13	12/06/2022

(1) All of the option awards listed in the table above were granted under the 1997 Plan or the 2008 Plan, the terms of which are described below under "— 1997 Equity Incentive Plan" and "— 2008 Equity Incentive Plan", respectively.

(2) Except as otherwise indicated, all of the option awards listed in the table above are fully exercisable on the date of grant and vest with respect to 25% of the shares one year following the date of grant and with respect to 1/36th of the remaining shares on each monthly

anniversary thereafter over the following three years, subject to the executive's continuous service with us through the vesting date.

(3) All of the option awards listed in the table above were granted with a per share exercise price equal to the fair market value of one share of our common stock on the date of grant, as determined in good faith by our board of directors with the assistance of a third party valuation analysis.

(4) The option award will become fully vested and exercisable in the event of a change in control of the Company.

Director Compensation

We did not pay any compensation to our non-employee directors for their service as board members during the 2013 fiscal year. We expect to adopt a formal director compensation policy prior to the completion of this offering.

2008 Equity Incentive Plan

Our 2008 Equity Incentive Plan was approved by our board of directors on April 24, 2008, and was most recently amended in July 2012. We refer to our 2008 Equity Incentive Plan, as amended, as the 2008 Plan. We have reserved an aggregate of 1,110,750 shares of our common stock for the issuance of options and stock awards under the 2008 Plan. The maximum number of shares of our common stock that may be awarded to any one individual under the 2008 Plan during any calendar year is limited to 600,000 shares. The foregoing numbers are subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization. Effective upon the closing of this offering, our board of directors has determined not to grant any further awards under our 2008 Plan. The shares we issue under the 2008 Plan are authorized but unissued shares or shares we reacquire. The shares of common stock underlying any options that are forfeited, canceled, repurchased, expire or are otherwise terminated (other than by exercise) under the 2008 Plan are currently added back to the shares of common stock available for issuance under the 2008 Plan.

The 2008 Plan permits us to grant incentive stock options and non-qualified stock options and allows us to issue shares of common stock to officers, employees, directors, consultants and other key persons (including prospective employees but conditioned upon their commencement of employment). Our 2008 Plan is administered by our board of directors. Our board of directors has the authority to select the individuals to whom awards will be granted, to make any combination of awards to participants, to accelerate the exercisability or vesting of any award and to determine the specific terms and conditions of each award.

The exercise price of each option will be determined by our board of directors but may not be less than 100% of the fair market value of the common stock on the date of grant. The term of each option will be fixed by the board of directors and may not exceed ten years from the date of grant. All stock option awards that are granted to employees are subject to the terms and conditions of a stock option agreement. Shares of common stock may be issued under the plan subject to such terms and conditions as may be determined by the board.

In the event of a change in control of the Company, the Board may take any of the following actions with respect to any or all outstanding awards under the 2008 Equity Incentive Plan:

(i) determine that outstanding options shall accelerate and become exercisable, in whole or in part, upon the change of control or upon such other event as the Board determines, (ii) determine that the restrictions and conditions on outstanding stock awards shall lapse, in whole or in part, upon the change of control or upon such other event as the Board determines, (iii) require that grantees surrender their outstanding options in exchange for a payment by the Company, in cash or stock as determined by the Board, in an amount equal to the amount by which the then fair market value of the shares of common stock subject to the grantee's unexercised options exceeds the exercise price of the options, (iv) after giving grantees an opportunity to exercise their outstanding options, terminate any or all unexercised options at such time as the Board deems appropriate, or (v) provide that the outstanding options and stock awards will be assumed or otherwise continued in effect in connection with the change in control transaction.

Our board of directors may amend, suspend or terminate the 2008 Plan at any time, subject to stockholder approval where such approval is required by applicable law. The board of directors may also amend, modify or terminate any outstanding award, provided that no amendment to an award may materially impair any of the rights of a participant under any awards previously granted without his or her written consent.

No awards may be granted under the 2008 Plan after the date that is 10 years from the date the 2008 Plan was approved by the stockholders. Our board of directors has determined not to make any further awards under the 2008 Plan following the closing of this offering.

1997 Equity Incentive Plan

Our 1997 Equity Incentive Plan was approved by our board of directors on December 5, 1997, and was most recently amended in May 2006. We refer to our 1997 Equity Incentive Plan, as amended, as the 1997 Plan. Pursuant to its terms, no awards may be granted under the 1997 Plan after December 4, 2007. As of December 31, 2013, 780 shares of common stock were subject to outstanding options granted under the 1997 Plan. The 1997 Plan permitted us to grant incentive stock options, non-qualified stock options and stock awards to officers, employees, directors, consultants and other key persons. The maximum number of shares of our common stock that could be awarded to any one individual under the 1997 Plan during any calendar year was limited to 20,000 shares. The terms and conditions of all outstanding stock options and stock awards granted under the 1997 Plan are substantially similar to the terms and conditions described above for awards granted under the 2008 Plan.

In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, the Board may take such action with respect to options granted under the 1997 Plan as it deems desirable, including, but not limited to: (i) causing an option to be assumed or an equivalent option to be substituted by the successor corporation or a parent or subsidiary of such successor corporation, (ii) providing that an option holder shall have the right to exercise the option as to all of the shares of Common Stock covered by the option, including shares as to which the option would not otherwise be exercisable, or (iii) declaring that an option shall terminate at a date fixed by the Board provided that the option holder is given notice and opportunity to exercise the then exercisable portion of the option prior to such date.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of transactions since January 1, 2011 to which we were a party in which the amount involved exceeded or will exceed $120,000, and in which any of our executive officers, directors or holders of more than 5% of any class of our voting securities, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest. We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or amounts that would be paid or received, as applicable, in arm's-length transactions with unrelated third parties.

Related Party Transactions

Consulting Agreement with SmartPharma LLC

Beginning on March 12, 2014, our board of directors appointed Katie MacFarlane as our Chief Commercial Officer, effective as of March 17, 2014. Ms. MacFarlane is also one of the Managing Partners of SmartPharma LLC, or SmartPharma. We entered into a consulting agreement with SmartPharma on October 16, 2009, which was subsequently amended on January 1, 2010 in order to engage SmartPharma to provide commercial and business development services. SmartPharma has invoiced us fees of $51,450 in 2014 as of the date of this prospectus, $347,498 in 2013, $377,450 in 2012, and $168,000 in 2011. All invoices received from SmartPharma as of March 17, 2014 have been paid in full. On December 6, 2012, we issued options to purchase 8,166 shares of our common stock with an exercise price of $6.13 per share with an expiration date of December 5, 2024 to SmartPharma, of which, Ms. MacFarlane directly received 4,083 of those options.

In connection with Ms. MacFarlane's appointment as our Chief Commercial Officer in March 2014, on March 1, 2014 we entered into a subsequent amendment to the consulting agreement between us and SmartPharma to remove Ms. MacFarlane from the list of persons providing service under the consulting agreement.

Series B Preferred Stock Financing

In May 2010, we entered into a Series B Preferred Stock Purchase Agreement, or the Series B Purchase Agreement, pursuant to which we initially issued and sold to investors an aggregate of 2,334,400 shares of Series B preferred stock at a purchase price of $10 per share, for aggregate consideration of approximately $23.3 million. At additional closings held between June 2010 and March 2012, we issued and sold an aggregate of 2,175,666 additional shares of Series B preferred stock at a purchase price of $10 per share, for aggregate additional consideration of approximately $21.8 million.

The participants in this convertible preferred stock financing included the following holders of more than 5% of our capital stock or entities affiliated with them. The participants in the Series B

preferred stock financing included certain beneficial owners of more than 5% of our capital stock and entities affiliated with certain of our directors, as set forth in the table below:

Participants	Shares of Series B Preferred Stock
ProQuest Investments and its affiliates(1)	1,393,000
Care Capital Investments and its affiliates(2)	1,393,000
Investor Growth Capital and its affiliates(3)	1,393,000

(1) These shares of Series B preferred stock were purchased by ProQuest Investments III, L.P. and ProQuest Investments IV, L.P.

(2) These shares of Series B preferred stock were purchased by Care Capital Investments III LP and Care Capital Offshore Investments III LP.

(3) These shares of Series B preferred stock were purchased by Investor Growth Capital Limited and Investor Group, L.P.

May 2012 Convertible Note Financing

In May 2012, we entered into a Convertible Note Purchase Agreement, or the Note Purchase Agreement, pursuant to which we issued and sold to investors an aggregate principal amount of $6.0 million of convertible promissory notes (the "2012 Notes"). The aggregate principal amount of the 2012 Notes together with accrued interest thereon was converted to shares of our Series C preferred stock in July 2012 in connection with the issuance of our Series C preferred stock and none of the 2012 Notes remain outstanding.

The participants in this convertible promissory note financing included the following holders of more than 5% of our capital stock or entities affiliated with them. The participants in the convertible promissory note financing included certain beneficial owners of more than 5% of our capital stock and entities affiliated with certain of our directors, as set forth in the table below:

Participants	Principal Amount	Shares of Series C Preferred Stock Received on Conversion of Notes
ProQuest Investments and its affiliates(1)	$ 1,950,045	131,823
Care Capital Investments and its affiliates(2)	$ 1,798,424	121,573
IGC Fund VI, L.P.	$ 1,798,424	121,573

(1) These 2012 Notes were purchased by ProQuest Investments III, L.P. and ProQuest Investments IV, L.P.

(2) These 2012 Notes were purchased by Care Capital Investments III LP and Care Capital Offshore Investments III LP.

Series C Preferred Stock Financing

In July 2012, we entered into a Series C Preferred Stock Purchase Agreement, or the Series C Purchase Agreement, pursuant to which we issued and sold to investors an aggregate of 1,127,746

shares of Series C preferred stock at a purchase price of $15 per share, for aggregate consideration of approximately $16.9 million. In addition, the aggregate principal amount of the convertible notes issued in May 2012, along with accrued interest, converted into an aggregate of 450,654 shares of Series C preferred stock at the same time.

The participants in this convertible preferred stock financing included the following holders of more than 5% of our capital stock or entities affiliated with them. The participants in the Series C preferred stock financing included certain beneficial owners of more than 5% of our capital stock and entities affiliated with certain of our directors, as set forth in the table below:

Participants	Shares of Series C Preferred Stock(1)
ProQuest Investments and its affiliates(2)	328,821
Care Capital Investments and its affiliates(3)	303,255
IGC Fund VI, L.P.	303,255
Aisling Capital III, LP	566,667

(1) Includes shares of Series C preferred stock issued pursuant to conversion of 2012 Notes described above.

(2) These shares of Series C preferred stock were purchased by ProQuest Investments III, L.P. and ProQuest Investments IV, L.P.

(3) These shares of Series C preferred stock were purchased by Care Capital Investments III LP and Care Capital Offshore Investments III LP.

Stockholders Agreement

We are party to a stockholders agreement under which certain holders of our capital stock, including certain holders of 5% of our capital stock and entities affiliated with certain of our directors, have agreed to, among other things, vote in a certain way on certain matters, including with respect to the election of directors. Upon the closing of this offering, the stockholders agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors.

Registration Rights Agreement

We are party to a registration rights agreement that provides certain holders of our convertible preferred stock, including certain holders of 5% of our capital stock and entities affiliated with certain of our directors, with certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. For a more detailed description of these registration rights, please see "Description of Capital Stock—Registration Rights."

Review and Approval of Related Party Transactions

Our Audit Committee Charter requires that our Audit Committee review and approve or ratify transactions involving us and any executive officer, director, director nominee, 5% stockholder and certain of their immediate family members, also referred to herein as a related

person. The policy and procedures cover any transaction involving a related person, also referred to herein as a related person transaction, in which the related person has a material interest and which does not fall under an explicitly stated exception set forth in the applicable disclosure rules of the SEC.

A related person transaction will be considered approved or ratified if it is authorized by the Audit Committee after full disclosure of the related person's interest in the transaction. In considering related person transactions, the Audit Committee will consider any information considered material to investors and the following factors:

- the related person's interest in the transaction;
- the approximate dollar value of the transaction;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that we could have reached with an unrelated third party; and
- the purpose and potential benefit to us of the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock as of March 17, 2014 and on an as adjusted basis to reflect the sale of the common stock offered in this offering by:

- all persons known by us to beneficially own more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

The number of shares beneficially owned by each stockholder is determined under rules issued by the Securities and Exchange Commission and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and includes any shares that an individual or entity has the right to acquire beneficial ownership of within 60 days of March 17, 2014 through the exercise of any warrant, stock option or other right. Unless otherwise indicated, the address of all listed stockholders is c/o Agile Therapeutics, Inc., 101 Poor Farm Road, Princeton, New Jersey 08540. Each of the stockholders listed has sole voting and investment

power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned Prior to the Offering	Percent of Class	
		Prior to This Offering(1)	After This Offering(2)
(i) Certain Beneficial Owners:			
ProQuest Investments(3) 90 Nassau Street Fifth Floor Princeton, NJ 08542	1,983,032	30.4%	
Care Capital Investments(4) 47 Hulfish Street Suite 310 Princeton, NJ 08542	1,696,255	26.6%	
Investor Growth Capital(5) One Rockefeller Plaza Suite 2801 New York, NY 10020	1,696,255	26.6%	
Aisling Capital III, L.P.(6) 888 7th Avenue 30th Floor New York, NY 10106	566,667	8.9%	
(ii) Directors and Named Executive Officers			
Alfred Altomari(7)	283,515	4.3%	
Karen Hong, Ph.D.	—	*	
Abhijeet Lele	—	*	
Lorenzo Pellegrini, Ph.D.	—	*	
Andrew Schiff, M.D.	—	*	
William T. McKee	—	*	
Elizabeth Garner, M.D., M.P.H.	—	*	
Scott M. Coiante(8)	28,206	*	
Katie MacFarlane, Pharm.D.(9)	6,615	*	
(iii) All Directors and current executive officers as a group (9 persons)	318,336	4.8%	

* Less than 1%

(1) Our calculation of the percentage of shares beneficially owned before this offering is based on the number of shares of our common stock and common stock equivalents outstanding as of March 17, 2014. Our calculation includes 81,085 shares of common stock, 6,292,369 shares of common stock issuable upon the conversion of 137,787 shares of our Series A-1 convertible preferred stock, 66,116 shares of our Series A-2 convertible preferred stock, 4,510,666 shares of common stock issuable upon the conversion of our Series B convertible preferred stock

and 1,578,400 shares of common stock issuable upon the conversion of our Series C convertible preferred stock.

(2) For purposes of calculating the percentage of shares beneficially owned after this offering, the number of shares of common stock deemed outstanding after this offering assumes our issuance of shares of common stock in this offering. Each share of our Series A-1, A-2, B and C convertible preferred stock will automatically convert into one share of our common stock upon the closing of this offering. Warrants to purchase shares of our Series A-1 and Series A-2 convertible preferred stock will net exercise immediately prior to the closing of this offering into shares of convertible preferred stock that will subsequently be automatically converted into shares of common stock, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus.

(3) Includes (a) 1,945 shares of common stock, 1,353,502 shares of common stock issuable upon conversion of preferred stock and 141,825 shares of preferred stock issuable upon the exercise of preferred stock warrants, assuming the conversion of all such shares of preferred stock into 141,825 shares of common stock, held by ProQuest Investments III, L.P. and (b) 485,760 shares of common stock issuable upon conversion of preferred stock held by ProQuest Investments IV, L.P. Jay Moorin and Alain Schreiber, M.D. are managing members of ProQuest Associates III, LLC and ProQuest Associates IV, LLC, the general partners of ProQuest Investments III, L.P. and ProQuest Investments IV, L.P., respectively, and may be deemed to have shared voting, investment and dispositive power with respect to these shares.

(4) Includes (a) 1,668,392 shares of common stock issuable upon conversion of preferred stock held by Care Capital Investments III LP and (b) 27,863 shares of common stock issuable upon conversion of preferred stock held by Care Capital Offshore Investments III LP. Care Capital III LLC is the general partner of Care Capital Investments III LP and Care Capital Offshore Investments III LP (collectively, "Care Capital") and as a result, Care Capital III LLC has the ultimate power to vote or direct the vote and to dispose or direct the disposition of such shares. Jerry N. Karabelas, Jan Leschly, Richard Markham and David R. Ramsay are the four managing members at Care Capital III LLC, and in their capacity as such, may be deemed to exercise shared voting and investment power over the shares held by the reporting persons, each of whom disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(5) Includes (a) 714,727 shares of common stock issuable upon conversion of preferred stock, held by Investor Growth Capital Limited, (b) 306,312 shares of common stock issuable upon conversion of preferred stock held by Investor Group, L.P. and (c) 675,216 shares of common stock issuable upon conversion of preferred stock held by Care IGC Fund VI, L.P. Investor Growth Capital Limited is a Cayman Islands limited company and an indirectly wholly owned subsidiary of Investor AB, a publicly held Swedish company, Investor Group, L.P. is a Guernsey limited partnership of which Investor Growth Capital, LLC, a Delaware limited liability company which is indirectly wholly-owned by Investor AB, serves as the general partner and IGC Fund VI, L.P. is a limited partnership of which Investor Growth Capital, LLC, a Delaware limited liability company which is indirectly wholly-owned by Investor AB, serves as the general partner.

(6) Consists of 566,667 shares of common stock issuable upon conversion of preferred stock. Aisling Capital Partners III, L.P. is the general partner of Aisling Capital III, L.P. Investment and voting decisions are made by an investment committee of Aisling Capital III, L.P., which currently consists of six members, including Dr. Schiff. The investment committee shares voting and dispositive power over the shares held directly by Aisling. Dr. Schiff disclaims beneficial ownership of the shares except to the extent of his indirect economic interests in Aisling and in connection with his role on the investment committee.

(7) Includes (a) 20,181 shares of common stock owned by Mr. Altomari, and (b) 263,334 shares of common stock that Mr. Altomari has the right to acquire from us within 60 days of March 17, 2014.

(8) Includes (a) 2,813 shares of common stock owned by Mr. Coiante and (b) 25,393 shares of common stock that Mr. Coiante has the right to acquire from us within 60 days of March 17, 2014.

(9) Represents 6,615 shares of common stock that Ms. MacFarlane has the right to acquire from us within 60 days of March 17, 2014.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock and provisions of our certificate of incorporation and bylaws are summaries and are qualified by reference to the certificate of incorporation and the bylaws that will be in effect upon the completion of this offering. We have filed copies of these documents with the Securities and Exchange Commission as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock and preferred stock reflect changes to our capital structure that will occur upon the completion of this offering.

Upon consummation of this offering, our authorized capital stock will consist of shares of common stock, par value $0.0001 per share, and shares of preferred stock, par value $0.0001 per share, all of which preferred stock will remain undesignated.

As of December 31, 2013, we had outstanding:

73,954 shares of common stock, held by 23 stockholders of record;

6,292,369 shares of convertible preferred stock.

Upon the completion of this offering, all of the outstanding shares of our preferred stock will automatically convert into a total of 6,292,369 shares of our common stock.

In addition, as of December 31, 2013, we had outstanding options to purchase 831,158 shares of common stock. Immediately prior to the closing of this offering, warrants to purchase 180,018 shares of convertible preferred stock will be net exercised and will subsequently be automatically converted into shares of common stock immediately prior to the closing of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus.

Common Stock

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock.

In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to receive proportionately our net assets available after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights. Our outstanding shares of common stock are and the shares offered by us in this offering will be, when issued and paid for, validly issued, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our amended and restated certificate of incorporation, our board of directors will be authorized to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors will have the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Upon completion of this offering, there will be no shares of preferred stock outstanding and we have no present plans to issue any shares of preferred stock.

Options

As of December 31, 2013, options to purchase 831,158 shares were outstanding at a weighted average exercise price of $4.81 per share, of which options to purchase 542,410 shares were exercisable. As of that date, an additional 279,592 shares were available for issuance under our 2008 Equity Incentive Plan.

Registration Rights

Upon completion of this offering, the holders of an aggregate of shares of our common stock that will be outstanding after this offering are entitled to require us to register the sales of their shares under the Securities Act, under the terms of an agreement between us and the holders of these securities. Subject to limitations specified in this agreement, these registration rights include the following:

- two demand registration rights that holders may exercise no sooner than 180 days after our initial public offering, if a certain percentage of the holders request registration of shares with an aggregate offering price of $10,000,000, which require us to register sales of a holder's shares, subject to the discretion of our board of directors to delay the registration in specified circumstances;
- an unlimited number of piggyback registration rights that require us to register a holder's shares whenever we register common stock (with certain limited exceptions), subject to the discretion of the managing underwriter of the offering to decrease the amount that holders may register; and
- an unlimited number of rights (up to two per twelve-month period) to require us to register sales of shares on Form S-3, a short form of registration statement permitted to be used by some companies, which holders may exercise if a certain percentage of them request registration in connection with an aggregate offering of at least $5,000,000, following the time we first qualify for the use of this form of registration with the Securities and

Exchange Commission, subject to the discretion of our board of directors to delay the registration in specified circumstances.

We will bear all registration expenses if these registration rights are exercised, other than underwriting discounts and commissions. These registration rights terminate as to a holder's shares when that holder may sell those shares under Rule 144(b)(1) of the Securities Act, which for most parties means one year after the acquisition of the shares from us.

Delaware Law and Certain Certificate of Incorporation and By-Law Provisions

The provisions of Delaware law and of our certificate of incorporation and by-laws discussed below could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our voting stock. It is possible that these provisions could make it more difficult to accomplish, or could deter, transactions that stockholders may otherwise consider to be in their best interests or the best interests of Agile.

- Business Combinations. We are subject to the provisions of Section 203 of the General Corporation Law of Delaware. Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. Subject to specified exceptions, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's voting stock.

- Limitation of Liability; Indemnification. Our certificate of incorporation contains provisions permitted under the General Corporation Law of Delaware relating to the liability of directors. The provisions eliminate, to the extent legally permissible, a director's liability for monetary damages for a breach of fiduciary duty, except in circumstances involving wrongful acts, such as the breach of a director's duty of loyalty or acts or omissions that involve intentional misconduct or a knowing violation of law. The limitation of liability described above does not alter the liability of our directors and officers under federal securities laws. Furthermore, our certificate of incorporation contains provisions to indemnify our directors and officers to the fullest extent permitted by the General Corporation Law of Delaware. These provisions do not limit or eliminate our right or the right of any stockholder of ours to seek non-monetary relief, such as an injunction or rescission in the event of a breach by a director or an officer of his duty of care to us. We believe that these provisions assist us in attracting and retaining qualified individuals to serve as directors.

Transfer Agent And Registrar

The transfer agent and registrar for our common stock is .

NASDAQ Market

We intend to apply for the listing of our common stock on the NASDAQ Global Market under the symbol "AGRX."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock, and we cannot assure you that a liquid trading market for our common stock will develop or be sustained after this offering. Future sales of substantial amounts of common stock, including shares issued upon exercise of options and warrants, in the public market after this offering, or the anticipation of those sales, could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through sales of our equity securities.

Upon completion of this offering, we will have outstanding shares of common stock, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 6,292,369 shares of common stock and the net exercise immediately prior to the closing of this offering of warrants to purchase 205,020 shares of convertible preferred stock that will subsequently be automatically converted into shares of common stock, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus.

Of these shares, the shares sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining shares of common stock to be outstanding after this offering are "restricted securities" under Rule 144. All of these restricted securities will be subject to the 180-day lock-up period described below. After the 180-day period, shares will be freely tradable under Rule 144(b)(1) and shares will be eligible for resale under Rule 144, subject to volume limitations. An additional shares will become freely tradable under Rule 144(b)(1) in .

Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 or 701 under the Securities Act, which rules are summarized below.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, any person who is not deemed an affiliate during the preceding three months and has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, subject only to the availability of current public information about us. In addition, under Rule 144, any person who is not an affiliate of ours and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available.

Beginning 90 days after the date of this prospectus, a person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other

than one of our affiliates, is entitled to sell a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; and
- the average weekly trading volume of our common stock on NASDAQ during the four calendar weeks preceding the filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates or persons selling on behalf of our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Upon expiration of the 180-day lock-up period described below, approximately shares of our common stock will be eligible for sale under Rule 144. We cannot estimate the number of shares of our common stock that our existing stockholders will elect to sell under Rule 144.

Rule 701

In general, under Rule 701 as currently in effect, any of an issuer's employees, directors, officers, consultants or advisors who purchases shares from the issuer in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

Lock-up Agreements

In connection with this offering, we, our directors, our executive officers and all of our other stockholders have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives of the underwriters. Each of the underwriters has advised us that they have no current intent or arrangement to release any of the shares subject to the lock-up agreements prior to the expiration of the lock-up period. The lock-up agreements permit stockholders to transfer common stock and other securities subject to the lock-up agreements in certain circumstances.

Following the lock-up periods set forth in the agreements described above, and assuming that the representatives of the underwriters do not release any parties from these agreements and that there is no extension of the lock-up period, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Registration Rights

Certain of our security holders have the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. See "*Description of Capital Stock — Registration Rights*." Except for shares purchased by affiliates, registration of their shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration statement.

Equity Incentive Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of common stock subject to outstanding stock options and common stock issuable under our equity incentive plans, including the equity incentive plans we plan to adopt in connection with this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above. Our equity incentive plans are described in more detail under "Executive Compensation."

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a general discussion of the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock by "Non-U.S. Holders" (as defined below). This discussion is a summary for general information purposes only and does not consider all aspects of U.S. federal income taxation that may be relevant to particular Non-U.S. Holders in light of their individual circumstances or to certain types of Non-U.S. Holders subject to special tax rules, including partnerships or other pass-through entities for U.S. federal income tax purposes, banks, financial institutions or other financial services entities, broker-dealers, insurance companies, tax-exempt organizations, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, corporations that accumulate earnings to avoid U.S. federal income tax, persons who use or are required to use mark-to-market accounting, persons that hold our shares as part of a "straddle," a "hedge" or a "conversion transaction," certain former citizens or permanent residents of the U.S., investors in pass-through entities, or persons subject to the alternative minimum tax. In addition, this summary does not address the effects of any applicable gift or estate tax, and this summary does not address the potential application of the Medicare contribution tax or any tax considerations that may apply to Non-U.S. Holders of our common stock under state, local or non-U.S. tax laws and any other U.S. federal tax laws.

This summary is based on the Internal Revenue Code of 1986, as amended, or the Code, and applicable Treasury Regulations, rulings, administrative pronouncements and decisions as of the date of this registration statement, all of which are subject to change or differing interpretations at any time with possible retroactive effect. We have not sought, and will not seek, any ruling from the Internal Revenue Service, or the IRS, with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained. This discussion assumes that a Non-U.S. Holder will hold our common stock as a capital asset within the meaning of the Code (generally, property held for investment).

The following discussion is for general information only and is not tax advice for any Non-U.S. Holder under its particular circumstances. Persons considering the purchase of our common stock pursuant to this offering should consult their own tax advisors concerning the U.S. federal income, estate and gift tax consequences of acquiring, owning and disposing of our common stock in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction, including any state, local and non-U.S. tax consequences.

For purposes of this discussion, the term "Non-U.S. Holder" means a beneficial owner of our shares that is not a U.S. person and is not a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes). A U.S. person is any one of the following:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the U.S. or under the laws of the U.S. or of any state thereof or the District of Columbia;

- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of the trust's substantial decisions or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partner of a partnership holding our shares, you should consult your tax advisor regarding the tax consequences of the purchase, ownership, and disposition of our common stock.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Distributions on Our Common Stock

In general, distributions, if any, paid to a Non-U.S. Holder (to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles) will constitute dividends and be subject to U.S. withholding tax at a rate equal to 30% of the gross amount of the dividend, or a lower rate prescribed by an applicable income tax treaty, unless the dividends are effectively connected with a trade or business carried on by the Non-U.S. Holder within the U.S. Any distribution not constituting a dividend (because such distribution exceeds our current and accumulated earnings and profits) will be treated first as reducing the Non-U.S. Holder's basis in its shares of common stock, but not below zero, and to the extent it exceeds the Non-U.S. Holder's basis, as capital gain (see "*Gain on Sale, Exchange or Other Disposition of Our Common Stock*" below).

A Non-U.S. Holder who claims the benefit of an applicable income tax treaty generally will be required to satisfy certain certification and other requirements prior to the distribution date. Non-U.S. Holders must generally provide the withholding agent with a properly executed IRS Form W-8BEN claiming an exemption from or reduction in withholding under an applicable income tax treaty. This certification must be updated periodically. If a Non-U.S. Holder holds our common stock through a financial institution or other agent acting on the Non-U.S. Holder's behalf, the Non-U.S. Holder will be required to provide appropriate documentation to the agent, who then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. If tax is withheld in an amount in excess of the amount applicable under an income tax treaty, a refund of the excess amount may generally be obtained by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty.

Dividends that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a U.S. permanent

establishment or fixed base of the Non-U.S. Holder) generally will not be subject to U.S. withholding tax if the Non-U.S. Holder provides the withholding agent with the required forms, including IRS Form W-8ECI, but instead generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates in the same manner as if the Non-U.S. Holder were a resident of the U.S. A corporate Non-U.S. Holder that receives effectively connected dividends may also be subject to an additional branch profits tax at a rate of 30% (or a lower rate prescribed by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Gain on Sale, Exchange or Other Disposition of Our Common Stock

In general, a Non-U.S. holder will not be subject to any U.S. federal income tax or withholding tax on any gain realized upon such holder's sale, exchange or other disposition of shares of our common stock unless:

(i) the gain is effectively connected with a trade or business carried on by the Non-U.S. Holder within the U.S. (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment or fixed base of the Non-U.S. Holder);

(ii) the Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of disposition and certain other conditions are met; or

(iii) we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the Non-U.S. Holder held the common stock, and, in the case where shares of our common stock are regularly traded on an established securities market, the Non-U.S. Holder owns, or is treated as owning, more than five percent of our common stock at any time during the foregoing period.

Net gain realized by a Non-U.S. Holder described in clause (i) above generally will be subject to U.S. federal income tax in the same manner as if the Non-U.S. Holder were a U.S. person. Any gains of a corporate Non-U.S. Holder described in clause (i) above may also be subject to an additional branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty.

Gain realized by an individual Non-U.S. Holder described in clause (ii) above will be subject to a flat 30% tax (or such lower rate specified by an applicable income tax treaty), which gain may be offset by certain U.S. source capital losses, even though the individual is not considered a resident of the U.S.

For purposes of clause (iii) above, a corporation is a "United States real property holding corporation" if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not, and we do not anticipate that we will become, a United States real property holding corporation. However, because the determination of whether we are a United States real property holding corporation depends on the fair market value of our U.S. real property interests relative to the fair market value of our other business assets, there can be no assurance that we will not become a United States real property holding corporation in the future. If we become a United States real property holding

corporation, as long as our common stock is regularly traded on an established securities market, our common stock will be treated as a U.S. real property interest only with respect to a Non-U.S. Holder that actually or constructively held more than 5% of our common stock at any time during the shorter of the two periods described in clause (iii), above. If gain on the sale or other taxable disposition of our common stock were subject to taxation under clause (iii) above, the Non-U.S. Holder would be subject to regular U.S. federal income tax with respect to such gain in generally the same manner as a U.S. person.

Information Reporting and Backup Withholding

Generally, we must report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid, the name and address of the recipient, and the amount, if any, of tax withheld. These information reporting requirements apply even if withholding was not required because the dividends were effectively connected with the Non-U.S. Holder's conduct of a trade or business within the U.S. or withholding was reduced by an applicable income tax treaty. Under applicable income tax treaties or other agreements, the IRS may make its reports available to the tax authorities in the Non-U.S. Holder's country of residence.

Dividends paid to a Non-U.S. Holder that is not an exempt recipient generally will be subject to backup withholding, currently at a rate of 28%, unless the Non-U.S. Holder certifies to the withholding agent as to its foreign status, which certification may generally be made on IRS Form W-8BEN or other appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient.

Proceeds from the sale or other disposition of common stock by a Non-U.S. Holder effected by or through a U.S. office of a broker will generally be subject to information reporting and backup withholding, currently at a rate of 28%, unless the Non-U.S. Holder certifies to the withholding agent under penalties of perjury as to, among other things, its name, address and status as a Non-U.S. Holder or otherwise establishes an exemption. Payment of disposition proceeds effected outside the U.S. by or through a non-U.S. office of a non-U.S. broker generally will not be subject to information reporting or backup withholding if the payment is not received in the U.S. Information reporting, but generally not backup withholding (provided the broker does not have actual knowledge or reason to know that the holder is a U.S. person that is not an exempt recipient), will apply to such a payment if the broker has certain connections with the U.S. unless the broker has documentary evidence in its records that the beneficial owner thereof is a Non-U.S. Holder and specified conditions are met or an exemption is otherwise established.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules from a payment to a Non-U.S. Holder that results in an overpayment of taxes generally will be refunded, or credited against the holder's U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Foreign Accounts

A U.S. federal withholding tax of 30% may apply to dividends and the gross proceeds of a disposition of our common stock paid to a "foreign financial institution" (as specially defined under applicable rules) unless such institution enters into an agreement with the U.S. government

to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). This U.S. federal withholding tax of 30% will also apply to payments of dividends and the gross proceeds of a disposition of our common stock paid to a "non-financial foreign entity" (as specially defined under applicable rules) unless such entity either certifies it does not have any substantial U.S. owners or provides the withholding agent with a certification identifying substantial direct and indirect U.S. owners of the entity. The withholding tax described above will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules. Under certain circumstances, a Non-U.S. Holder might be eligible for refunds or credits of such taxes. The U.S. has entered into agreements with certain countries that modify these general rules for entities located in those countries. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

The withholding provisions described above will generally apply to payments of dividends made on or after July 1, 2014 and to payments of gross proceeds from a sale or other disposition of our common stock on or after January 1, 2017. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we may treat the entire distribution as a dividend. Prospective investors should consult their tax advisors regarding these withholding provisions.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, to be dated the date of the final prospectus, between us and RBC Capital Markets, LLC and William Blair & Company, L.L.C., as the representatives of the underwriters named below and the joint book-running managers of this offering, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the respective number of shares of common stock shown opposite its name below:

UNDERWRITER	NUMBER OF SHARES
RBC Capital Markets, LLC	
William Blair & Company, L.L.C.	
Cantor Fitzgerald & Co.	
Janney Montgomery Scott LLC	
Total	

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers' certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the shares of common stock if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated. We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that, following the completion of this offering, they currently intend to make a market in the common stock as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the common stock, that you will be able to sell any of the common stock held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriters are offering the shares of common stock subject to their acceptance of the shares of common stock from us and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. In addition, the underwriters have advised us that they do not expect sales to accounts over which they have discretionary authority to exceed 5% of the common stock being offered.

Commissions and Expenses

The underwriters have advised us that they propose to offer the shares of common stock to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers, which may include the underwriters, at that price less a concession not in excess of $ per share of common stock. After the offering, the initial public offering price and the

concession to dealers may be reduced by the representatives. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriters and the proceeds, before expenses, to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	PER SHARE		TOTAL	
	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES
Public offering price	$	$	$	$
Underwriting discounts and commissions paid by us	$	$	$	$
Proceeds to us, before expenses	$	$	$	$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $ million. We have agreed to reimburse the underwriters for certain expenses in an amount up to $.

Determination of Offering Price

Prior to this offering, there has not been a public market for our common stock. Consequently, the initial public offering price for our common stock will be determined by negotiations between us and the representatives. Among the factors to be considered in these negotiations will be prevailing market conditions, our financial information, market valuations of other companies that we and the underwriters believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant.

We offer no assurances that the initial public offering price will correspond to the price at which the common stock will trade in the public market subsequent to the offering or that an active trading market for the common stock will develop and continue after the offering.

Listing

We intend to apply to list our common stock on the NASDAQ Global Market under the symbol "AGRX."

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of shares from us at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional shares proportionate to that underwriter's initial purchase commitment as indicated in the table above.

This option may be exercised only if the underwriters sell more shares than the total number set forth on the cover page of this prospectus.

No Sales of Similar Securities

We, our officers, directors and holders of substantially all of our outstanding capital stock have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer to sell, contract to sell, effect any short sale, pledge, transfer, establish a "put equivalent position" within the meaning of Rule 16a-l(h) under the Exchange Act, or
- otherwise dispose of, or enter into any swap, hedge or similar arrangement that transfers, in whole or in part, the economic risk of ownership of, any shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock currently or hereafter owned either of record or beneficially, or
- make any demand for, or exercise any right with respect to, the registration under the Securities Act of the offer and sale of any shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock, or
- publicly announce any intention to do any of the foregoing

for a period of 180 days after the date of this prospectus without the prior written consent of the representatives.

This restriction terminates after the close of trading of the common stock on and including the 180th day after the date of this prospectus. The representatives may, in their sole discretion and at any time or from time to time before the termination of the 180-day period release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our stockholders who will execute a lock-up agreement, providing consent to the sale of shares prior to the expiration of the lock-up period.

Stabilization

The underwriters have advised us that they, pursuant to Regulation M under the Exchange Act, certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with this offering. These activities may have the effect of stabilizing or maintaining the market price of the common stock at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either "covered" short sales or "naked" short sales.

"Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares of our common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our common stock or purchasing shares of our common stock in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares.

"Naked" short sales are sales in excess of the option to purchase additional shares of our common stock. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of shares of common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of the common stock. A syndicate covering transaction is the bid for or the purchase of shares of common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter's purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares of common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' web sites and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved or endorsed by us or the underwriters and should not be relied upon by investors.

Other Activities and Relationships

The underwriters and certain of their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their respective affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their respective affiliates may make or hold a broad array of investments and actively trade debt and

equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities or instruments issued by us and our affiliates. If the underwriters or their respective affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the common stock offered hereby. Any such short positions could adversely affect future trading prices of the common stock offered hereby. The underwriters and certain of their respective affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Notice to Residents of Canada

The securities may be sold only to purchasers purchasing as principal that are both "accredited investors" as defined in National Instrument 45-106 Prospectus and Registration Exemptions and "permitted clients" as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from the prospectus requirements and in compliance with the registration requirements of applicable securities laws.

Notice to Prospective Investors in the EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, which we refer to as a Relevant Member State, an offer to the public of any shares of common stock that are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriters which constitute the final offering of shares contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

(a) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

Notice to Prospective Investors in Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571 Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Israel

The securities offered by this prospectus have not been approved or disapproved by the Israeli Securities Authority, or the ISA, nor have such securities been registered for sale in Israel. The shares of common stock may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licenses in connection with the Offering or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the securities being offered. Any resale in Israel, directly or indirectly, to the public of the securities offered by this prospectus is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, which we refer to as the Order, or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The Prospectus does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations ("CO") and the shares will not be listed on the SIX Swiss Exchange. Therefore, the Prospectus may not comply with the disclosure standards of the CO or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange. Accordingly, the shares may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, which do not subscribe to the shares with a view to distribution.

LEGAL MATTERS

Certain legal matters with respect to the validity of the shares of common stock offered hereby will be passed upon for us by Morgan, Lewis & Bockius LLP, Princeton, New Jersey. Certain legal matters related to this offering will be passed upon for the underwriters by Latham & Watkins LLP, Boston, Massachusetts.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements at December 31, 2012 and December 31, 2013, and for each of the two years in the period ended December 31, 2013 as set forth in their report (which contains an explanatory paragraph describing conditions that raise substantial doubt about our ability to continue as a going concern as described in Note 1 to the financial statements). We've included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

The statement of stockholders' deficit and the statements of operations and cash flows (not separately presented herein) for the cumulative period from December 22, 1997 (inception) to December 31, 2008 of Agile Therapeutics, Inc. (a development stage enterprise), have been audited by EisnerAmper LLP, independent registered public accounting firm, as stated in their report which is incorporated herein which report includes an explanatory paragraph about the existence of substantial doubt concerning our ability to continue as a going concern in reliance on the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered in this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the accompanying exhibits and schedules. Some items included in the registration statement are omitted from this prospectus in accordance with the rules and regulations of the SEC. For further information with respect to us and the common stock offered in this prospectus, we refer you to the registration statement and the accompanying exhibits and schedules. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of these contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to such exhibit for a more complete description of the matter involved. A copy of the registration statement, and the accompanying exhibits and schedules, may be inspected without charge and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC's website is http://www.sec.gov.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act, and we will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other

information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We maintain a website at http://www.agiletherapeutics.com. You may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Financial Statements

Years Ended December 31, 2012 and 2013 and
Period From December 22, 1997 (Inception) to December 31, 2013

Contents

Report of Independent Registered Accounting Firm

The Board of Directors and Stockholders
Agile Therapeutics, Inc.

We have audited the accompanying balance sheets of Agile Therapeutics, Inc. (a development stage enterprise) as of December 31, 2012 and 2013, and the related statements of operations, convertible preferred stock and changes in stockholders' deficit and cash flows for each of the two years in the period then ended, and for the period December 22, 1997 (inception) through December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of for the period December 22, 1997 (inception) through December 31, 2008, were audited by other auditors whose report dated March 14, 2014 expressed an unqualified opinion on those statements. The financial statements for the period December 22, 1997 (inception) through December 31, 2008 include total operating expenses and net loss of $35,153,943 and $36,580,624, respectively. Our opinion on the statements of operations, convertible preferred stock and stockholders' deficit and cash flows for the period December 22, 1997 (inception) through December 31, 2013, insofar as it relates to amounts for prior periods through December 31, 2008, is based solely on the report of other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors the financial statements referred to above present fairly, in all material respects, the financial position of Agile Therapeutics, Inc. at December 31, 2012 and 2013, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2013 and for the period from December 22, 1997 (inception) through December 31, 2013, in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has recurring losses from operations and will require additional funding in the future. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Ernst & Young LLP

Metro Park, New Jersey
March 17, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Agile Therapeutics, Inc.

We have audited the statement of stockholders' deficit and the statements of operations and cash flows (not separately presented herein) for the cumulative period from December 22, 1997 (inception) to December 31, 2008 of Agile Therapeutics, Inc. (a development stage enterprise) (the "Company"). The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of the Company's operations and its cash flows for the cumulative period from December 22, 1997 (inception) to December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company's recurring losses from operations and negative cash flows from operations raise substantial doubt about its ability to continue as a going concern. Management's plans with respect to these matters are also described in Note 1 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ EisnerAmper LLP
Iselin, New Jersey
March 14, 2014

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Balance Sheets

	December 31		Pro forma December 31, 2013
	2012	2013	(Unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 20,013,754	$ 2,119,646	$
Prepaid expenses and other current assets	254,103	146,704	
Total current assets	20,267,857	2,266,350	
Property and equipment, net of accumulated depreciation of $261,215 in 2012 and $273,092 in 2013	7,029,576	11,963,079	
Deferred financing costs, net	202,499	157,499	
Other assets	18,208	18,208	
Total assets	$ 27,518,140	$ 14,405,136	$
Liabilities, convertible preferred stock and stockholders' deficit			
Current liabilities:			
Accounts payable	$ 1,126,931	$ 715,454	$
Accrued expenses	416,435	379,164	
Loan payable, current portion	—	5,105,407	
Warrant liability	563,488	644,478	
Total current liabilities	2,106,854	6,844,503	
Loan payable, long-term	14,787,024	9,769,528	
Commitments and contingencies *(Note 11)*			
Series A-1, 8%, non-cumulative convertible preferred stock, $.0001 par value, authorized 284,743 shares; issued and outstanding 137,787 shares in 2012 and 2013 (liquidation preference of $1,377,870 at December 31, 2013); no shares issued or outstanding, pro forma	898,305	898,305	
Series A-2 convertible preferred stock, $.0001 par value, authorized 99,178 shares; issued and outstanding 66,116 shares in 2012 and 2013 (liquidation preference of $661,160 at December 31, 2013); no shares issued or outstanding, pro forma	543,623	543,623	
Series B, 8% non-cumulative, convertible preferred stock, $.0001 par value, authorized 4,510,066 shares; issued and outstanding 4,510,066 shares in 2012 and 2013 (liquidation preference of $45,100,660 at December 31, 2013); no shares issued or outstanding, pro forma	44,928,382	44,928,382	
Series C, 12% non-cumulative, convertible preferred stock, $.0001 par value, authorized 2,711,734 shares; issued and outstanding 1,578,400 shares in 2012 and 2013 (liquidation preference of $23,676,000 at December 31, 2013); no shares issued or outstanding, pro forma	22,862,367	22,862,367	
Stockholders' deficit:			
Common stock, $.0001 par value, authorized 12,000,000 shares; issued 32,358 shares and outstanding 28,227 shares in 2012 and issued 78,086 shares and outstanding 73,954 shares in 2013; shares issued and outstanding, pro forma	83	88	
Additional paid-in capital	45,385,265	46,872,723	
Deficit accumulated during the development stage	(103,993,763)	(118,314,383)	
Total stockholders' deficit	(58,608,415)	(71,441,572)	
Total liabilities, convertible preferred stock and stockholders' deficit	$ 27,518,140	$ 14,405,136	$

See accompanying notes.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Statements of Operations

	Year Ended December 31		Period From December 22, 1997 (Inception) to December 31, 2013
	2012	2013	
Operating expenses:			
Research and development	$ 17,386,961	$ 9,154,484	$ 86,217,608
General and administrative	5,929,890	3,573,893	26,343,979
Total operating expenses	23,316,851	12,728,377	(112,561,587)
Loss from operations	(23,316,851)	(12,728,377)	(112,561,587)
Other income (expense)			
Interest expense	(140,051)	(1,512,911)	(1,677,370)
Interest income	25,762	1,658	1,599,051
Change in fair value of warrants	171,013	(80,990)	108,520
Other	—	—	(295,543)
Loss before benefit from income taxes	(23,260,127)	(14,320,620)	(112,826,929)
Benefit from income taxes	—	—	672,648
Net loss	(23,260,127)	(14,320,620)	(112,154,281)
Accretion of interest on shares subject to mandatory redemption	—	—	(5,560,102)
Beneficial conversion charge	(600,000)	—	(600,000)
Net loss attributable to common stockholders	$ (23,860,127)	$ (14,320,620)	$ (118,314,383)
Net loss per share (basic and diluted)	$ (845.29)	$ (405.14)	
Weighted-average shares outstanding (basic and diluted)	28,227	35,347	
Pro forma net loss per share applicable to common stockholders — basic and diluted (unaudited)		$	
Weighted-average number of common shares used in pro forma net loss per share applicable to common stockholders — basic and diluted (unaudited)			

See accompanying notes.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Statements of Convertible Preferred Stock and Changes in Stockholders' Deficit
Period From December 22, 1997 (Inception) to December 31, 2013

	Pre-recapitalization					Post-recapitalization												
	Series A — E-1 Convertible Preferred Stock		Common Stock			Series A-1 Convertible Preferred Stock		Series A-2 Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Notes Receivable	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Net Stockholders' Equity (Deficit)
Issuance of Series A convertible preferred stock	1,850,000	$1,850,000	—	$ —	$ —		$		$		$				$	$ —	$	$ —
Issuance of common stock to founders	—	—	1,085,000	109		—	—	—	—	—	—	—	—	—	—	—	—	109
Issuance of common stock upon exercise of options	—	—	150,000	15	—	—	—	—	—	—	—	—	—	—	—	9,985	—	10,000
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	19,168	—	19,168
Subscription receivable	—	—	—	(19)	—	—	—	—	—	—	—	—	—	—	—	—	—	(19)
Net loss for the period December 22, 1997 (inception) to December 31, 1997	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(55,153)	(55,153)
Balance, December 31, 1997	1,850,000	1,850,000	1,235,000	105	—	—	—	—	—	—	—	—	—	—	—	29,153	(55,153)	(25,895)
Issuance of Series B convertible preferred stock	256,945	1,027,780	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of common stock upon exercise of options	—	—	50,000	5	—	—	—	—	—	—	—	—	—	—	—	4,995	—	5,000
Subscription receivable	—	—	—	19	—	—	—	—	—	—	—	—	—	—	—	—	—	19
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	824	—	824
Net loss for the year ended December 31, 1998	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,881,168)	(1,881,168)
Balance, December 31, 1998	2,106,945	2,877,780	1,285,000	129	—	—	—	—	—	—	—	—	—	—	—	34,972	(1,936,321)	(1,901,220)
Issuance of Series B convertible preferred stock	125,000	500,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of common stock in exchange for a license, patent and technology	—	—	125,718	12	—	—	—	—	—	—	—	—	—	—	—	50,274	—	50,286
Net loss for the year ended December 31, 1999	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,294,654)	(1,294,654)
Balance, December 31, 1999	2,231,945	3,377,780	1,410,718	141	—	—	—	—	—	—	—	—	—	—	—	85,246	(3,230,975)	(3,145,588)
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	55,034	—	55,034
Net loss for the year ended December 31, 2000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,274,990)	(1,274,990)
Balance, December 31, 2000	2,231,945	3,377,780	1,410,718	141	—	—	—	—	—	—	—	—	—	—	—	140,280	(4,505,965)	(4,365,544)

See accompanying notes.

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Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Statements of Convertible Preferred Stock and Changes in Stockholders' Deficit (Continued)
Period From December 22, 1997 (Inception) to December 31, 2013

	Pre-recapitalization					Post-recapitalization											
	Series A — E-1 Convertible Preferred Stock		Common Stock			Series A-1 Convertible Preferred Stock		Series A-2 Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock			
	Number of Shares	Amount	Number of Shares	Amount	Notes Receivable	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Net Stockholders' Equity (Deficit)
Balance, December 31, 2000 *(from previous page)*	2,231,945	$ 3,377,780	1,410,718	$ 141	$ —	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	$ 140,280	$ (4,505,965)	$ (4,365,544)
Issuance of Series C convertible preferred stock	4,132,689	11,158,260	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of common stock upon exercise of options	—	—	29,285	3	—	—	—	—	—	—	—	—	—	—	—	19,911	—	19,914
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	56,777	—	56,777
Net loss for the year ended December 31, 2001	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,817,375)	(3,817,375)
Balance, December 31, 2001	6,364,634	14,536,040	1,440,003	144	—	—	—	—	—	—	—	—	—	—	—	216,968	(8,323,340)	(8,106,228)
Net loss for the year ended December 31, 2002	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(5,084,053)	(5,084,053)
Balance, December 31, 2002	6,364,634	14,536,040	1,440,003	144	—	—	—	—	—	—	—	—	—	—	—	216,968	(13,407,393)	(13,190,281)
Issuance of common stock upon exercise of options	—	—	735,000	74	—	—	—	—	—	—	—	—	—	—	—	174,276	—	174,350
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	38,837	—	38,837
Net loss for the year ended December 31, 2003	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,040,358)	(2,040,358)
Balance, December 31, 2003	6,364,634	14,536,040	2,175,003	218	—	—	—	—	—	—	—	—	—	—	—	430,081	(15,447,751)	(15,017,452)
Issuance of Series D convertible preferred stock	15,910,555	4,932,272	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	45,419	—	45,419
Net loss for the year ended December 31, 2004	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,580,891)	(1,580,891)
Balance, December 31, 2004	22,275,189	19,468,312	2,175,003	218	—	—	—	—	—	—	—	—	—	—	—	475,500	(17,028,642)	(16,552,924)
Issuance of common stock upon exercise of options	—	—	1,190,684	119	—	—	—	—	—	—	—	—	—	—	—	47,508	—	47,627
Issuance of common stock	—	—	80,645	8	—	—	—	—	—	—	—	—	—	—	—	24,992	—	25,000
Net loss for the year ended December 31, 2005	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,251,526)	(2,251,526)
Balance, December 31, 2005	22,275,189	19,468,312	3,446,332	345	—	—	—	—	—	—	—	—	—	—	—	548,000	(19,280,168)	(18,731,823)

See accompanying notes.

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Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Statements of Convertible Preferred Stock and Changes in Stockholders' Deficit (Continued)
Period From December 22, 1997 (Inception) to December 31, 2013

	Pre-recapitalization					Post-recapitalization											
	Series A — E-1 Convertible Preferred Stock		Common Stock			Series A-1 Convertible Preferred Stock		Series A-2 Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock			
	Number of Shares	Amount	Number of Shares	Amount	Notes Receivable	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Net Stockhold Equity (Defici
Balance, December 31, 2005 *(from previous page)*	22,275,189	$ 19,468,312	3,446,332	$ 345	$ —	—	$ —	—	$ —	—	$ —	—	$ —	—	$ —	$ 548,000	$ (19,280,168)	$ (18,731
Issuance of common stock for employee bonuses	—	—	180,216	18	—	—	—	—	—	—	—	—	—	—	—	7,191	—	7
Issuance of common stock in exchange for services	—	—	38,000	4	—	—	—	—	—	—	—	—	—	—	—	1,516	—	1
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,000	—	2
Net loss for the year ended December 31, 2006	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,057,643)	(4,057
Balance, December 31, 2006	22,275,189	19,468,312	3,664,548	367	—	—	—	—	—	—	—	—	—	—	—	558,707	(23,337,811)	(22,778
Issuance of common stock in connection with termination agreement	—	—	150,000	15	—	—	—	—	—	—	—	—	—	—	—	5,985	—	6
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13,395	—	13
Net loss for the year ended December 31, 2007	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,535,977)	(4,535
Balance, December 31, 2007	22,275,189	19,468,312	3,814,548	382	—	—	—	—	—	—	—	—	—	—	—	578,087	(27,873,788)	(27,295
Issuance of common stock in exchange for services	—	—	244,540	24	—	—	—	—	—	—	—	—	—	—	—	9,757	—	9
Issuance of stock options in exchange for research and development services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	29,894	—	29
Net loss for the year ended December 31, 2008	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(8,706,836)	(8,706
Balance, December 31, 2008	22,275,189	19,468,312	4,059,088	406	—	—	—	—	—	—	—	—	—	—	—	617,738	(36,580,624)	(35,962
Reclassification of notes receivable	—	—	—	—	(267,416)	—	—	—	—	—	—	—	—	—	—	—	—	(267
Shares subject to mandatory redemption, December 31, 2008	46,377,834	16,960,658	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,428
Share-based compensation	—	—	532,064	53	—	—	—	—	—	—	—	—	—	—	—	21,230	—	21
Recapitalization of equity structure	(68,653,023)	(36,428,970)	(4,591,152)	(459)	267,416	—	—	—	—	—	—	—	—	8,105	81	42,396,721	—	6,234
Loss on extinguishment of convertible notes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	540,022	—	540
Share-based compensation —stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	85,988	—	85
Issuance of Series A-1 Convertible Preferred Stock, net of offering costs	—	—	—	—	—	137,787	898,305	—	—	—	—	—	—	—	—	—	—	
Issuance of Series A-2 Convertible Preferred Stock, net of offering costs	—	—	—	—	—	—	—	66,116	543,623	—	—	—	—	—	—	—	—	
Net loss for the year ended December 31, 2009	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(8,504,805)	(8,504
Balance, December 31, 2009	—	—	—	—	—	137,787	898,305	66,116	543,623	—	—	—	—	8,105	81	43,661,699	(45,085,429)	(1,423
Issuance of Series B Convertible Preferred Stock, net of offering costs	—	—	—	—	—	—	—	—	—	2,506,067	24,912,600	—	—	—	—	—	—	
Issuance of Common Stock for employee bonuses	—	—	—	—	—	—	—	—	—	—	—	—	—	24,254	2	40,914	—	40
Share-based compensation —stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	129,293	—	129
Net loss for the year ended December 31, 2010	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(16,189,703)	(16,189
Balance December 31, 2010	—	—	—	—	—	137,787	898,305	66,116	543,623	2,506,067	24,912,600	—	—	32,359	83	43,831,906	(61,275,132)	(17,443

See accompanying notes.

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Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Statements of Convertible Preferred Stock and Changes in Stockholders' Deficit (Continued)
Period From December 22, 1997 (Inception) to December 31, 2013

	Pre-recapitalization					Post-recapitalization										
	Series A — E-1 Convertible Preferred Stock		Common Stock			Series A-1 Convertible Preferred Stock		Series A-2 Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Notes Receivable	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Net Stockholders' Equity (Deficit)
Balance December 31, 2010 *(from previous page)*	—	$ —	—	$ —	$ —	137,787	$898,305	66,116	$543,623	2,506,067	$24,912,600	—	$ —	32,359	$ 83	$43,831,906	$ (61,275,132)	$ (17,443,143)
Issuance of Series B Convertible Preferred Stock, net of offering costs	—	—	—	—	—	—	—	—	—	1,750,000	17,479,158	—	—	—	—	—	—	—
Share-based compensation —stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	287,905	—	287,905
Net loss for the year ended December 31, 2011	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(18,858,504)	(18,858,504)
Balance December 31, 2011	—	—	—	—	—	137,787	898,305	66,116	543,623	4,256,067	42,391,758	—	—	32,359	83	44,119,811	(80,133,636)	(36,013,742)
Issuance of Series B Convertible Preferred Stock, net of offering costs	—	—	—	—	—	—	—	—	—	253,999	2,536,624	—	—	—	—	—	—	—
Issuance of Series C Convertible Preferred Stock, net of offering costs	—	—	—	—	—	—	—	—	—	—	—	1,127,746	16,778,538	—	—	—	—	—
Conversion of promissory notes and accrued interest	—	—	—	—	—	—	—	—	—	—	—	450,654	6,083,829	—	—	—	—	—
Share-based compensation —stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	665,454	—	665,454
Deemed dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	600,000	(600,000)	—
Net loss for the year ended December 31, 2012	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(23,260,127)	(23,260,127)
Balance December 31, 2012	—	—	—	—	—	137,787	898,305	66,116	543,623	4,510,066	44,928,382	1,578,400	22,862,367	32,359	83	45,385,265	(103,993,763)	(58,608,415)
Share-based compensation —stock options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,337,857	—	1,337,857
Issuance of Common Stock for employee bonuses	—	—	—	—	—	—	—	—	—	—	—	—	—	8,558	1	79,508	—	79,509
Issuance of common stock upon exercise of options	—	—	—	—	—	—	—	—	—	—	—	—	—	37,169	4	70,093	—	70,097
Net loss for the year ended December 31, 2013	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(14,320,620)	(14,320,620)
Balance, December 31, 2013	—	$ —	—	$ —	$ —	137,787	$898,305	66,116	$543,623	4,510,066	$44,928,382	1,578,400	$22,862,367	78,086	$ 88	$46,872,723	$(118,314,383)	$ (71,441,572)

See accompanying notes.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Statements of Cash Flows

	Year Ended December 31		Period From December 22, 1997 (Inception) to December 31, 2013
	2012	2013	
Cash flows from operating activities			
Net loss	$ (23,260,127)	$ (14,320,620)	$ (112,154,281)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	23,662	11,876	281,131
Noncash research and development and expenses	—	—	323,154
Noncash conversion expenses	—	—	325,000
Noncash stock bonus	—	79,509	189,698
Noncash stock based compensation	665,454	1,337,857	2,506,497
Noncash interest	83,829	132,911	234,007
Forgiveness of interest and note receivable	—	—	189,125
Loss on extinguishment of convertible notes	—	—	540,022
Change in fair value of warrants	(171,013)	80,990	(108,520)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(33,792)	107,399	(146,704)
Other assets	—	—	(84,249)
Accounts payable and accrued expenses	(275,958)	(448,748)	1,094,618
Net cash used in operating activities	(22,967,945)	(13,018,826)	(106,810,502)
Cash flows from investing activities			
Acquisition of property and equipment	(6,692,981)	(4,945,379)	(12,244,210)
Net cash used in investing activities	(6,692,981)	(4,945,379)	(12,244,210)
Cash flows from financing activities			
Proceeds from convertible bridge notes	6,000,000	—	8,995,058
Proceeds from issuance of term loan	15,000,000	—	15,000,000
Proceeds from issuance of preferred stock, net of offering costs	19,315,162	—	97,276,679
Cash paid for financing costs	(202,499)	—	(202,499)
Proceeds from issuance of common stock	—	70,097	105,120
Net cash provided by financing activities	40,112,663	70,097	121,174,358
Net increase (decrease) in cash and cash equivalents	10,451,737	(17,894,108)	2,119,646
Cash and cash equivalents, beginning of year	9,562,017	20,013,754	—
Cash and cash equivalents, end of year	$ 20,013,754	$ 2,119,646	$ 2,119,646
Supplemental disclosure of noncash financing activities			
Common stock issued in exchange for a note receivable	$ —	$ —	$ 211,977
Interest paid	$ 56,222	$ 1,380,000	$ 1,436,222
Income taxes paid	$ —	$ —	$ —

See accompanying notes.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 2013

1. Organization and Description of Business

Nature of Operations

Agile Therapeutics, Inc. (the "Company") was incorporated in Delaware on December 22, 1997. The Company is engaged in research and development of transdermal patch technology for use in contraception. The Company's activities since inception have consisted principally of raising capital, and performing research and development. Accordingly, the Company is considered to be a development stage enterprise as defined by Accounting Standards Codification ("ASC") 915, *Development Stage Entities.* The Company has been financed primarily by venture capital investors and is headquartered in Princeton, New Jersey.

Going Concern

The Company is devoting substantially all of its efforts toward research and development of its transdermal patch for use in contraception, and raising capital. The Company has not generated product revenue to date and is subject to a number of risks similar to those of other early stage companies, including dependence on key individuals, the difficulties inherent in the development of commercially usable products, the potential need to obtain additional capital necessary to fund the development of its products, and competition from larger companies. The Company has incurred losses each year since inception. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

For the year ended December 31, 2013, the Company incurred a net loss of approximately $14.3 million and a use of cash in operating activities of approximately $13.0 million. As of December 31, 2013, the Company had an accumulated deficit of approximately $118.3 million. The Company's cash requirements have been funded through sales of its convertible preferred stock, venture loans, and non-dilutive grant funding. As of the date of issuance of the financial statements, the Company needed additional funds to support long-term ongoing operations, to complete clinical studies and prepare for commercialization. The Company expects to obtain additional funding to support future operations, however, the Company does not have any assurance that funding will be available when needed or on terms that the Company finds favorable. These conditions raise substantial doubt about the Company's ability to continue as a going concern. There is no guarantee that the Company will successfully obtain the required funding or, if obtained, the amounts will be sufficient to support ongoing operations in 2014. If the Company is unable to raise additional capital when required, the Company may need to delay, scale back, or eliminate some of its research and development programs. The inability to secure additional funding could have a further material adverse effect on the Company, including the possibility that the Company could have to cease operations.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Notes to Financial Statements (Continued)

December 31, 2013

1. Organization and Description of Business (Continued)

These financial statements have been prepared on a going concern basis, assuming the Company has the ability to satisfy its obligations in the normal course of business. These financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

2. Summary of Significant Accounting Polices

Basis of Presentation

The accompanying financial statements have been prepared in accordance with United States ("U.S.") generally accepted principles ("GAAP") and include all adjustments necessary for the fair presentation of the Company's financial position for the periods presented.

Unaudited Pro Forma Presentation

The Company is preparing for an initial public offering of its shares of common stock. Upon the closing of the initial public offering, the Company's shares of preferred stock will convert into common stock. The Company has presented an unaudited pro forma balance sheet as of December 31, 2013 to reflect the conversion of all outstanding shares of preferred stock as of that date into shares of common stock which will occur upon the closing of the Company's initial public offering. The effect of this conversion is to reclassify $ of convertible preferred stock into stockholders' equity.

Unaudited pro forma net loss per share is computed using the weighted-average number of common shares outstanding after giving effect to the pro forma effect of the conversion of all convertible preferred stock and preferred stock warrants during the year ended December 31, 2013 into shares of the Company's common stock as if such conversion had occurred at the beginning of the period presented or the date of original issuance, if later.

Use of Estimates

The preparation of the Company's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates and judgments on historical experience and various other assumptions that it believes are reasonable under the circumstances. The amounts of assets and liabilities reported in the Company's balance sheets and the amounts of expenses reported for each of the periods presented are affected by estimates and assumptions, which are used for, but not limited to, the accounting for preferred stock warrants, stock-based compensation, income taxes, and accounting for research and development costs. Actual results could differ from those estimates.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Polices (Continued)

The Company utilized various methodologies in accordance with the framework of the American Institute of Certified Public Accountants Technical Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, to estimate the fair value of its stock. The methodologies included an option pricing method and a probability-weighted expected return methodology that determined an estimated value under an initial public offering (IPO) scenario and a sale scenario based upon an assessment of the probability of occurrence of each scenario. Each valuation methodology includes estimates and assumptions that require the Company's judgment. These estimates include assumptions regarding future performance, including the successful completion of clinical trials and the time to completing an IPO or sale of the Company. As with any valuation, significant changes to the key assumptions used in the valuations could result in different fair values of common stock at each valuation date.

Cash and Cash Equivalents

The Company considers all highly-liquid investments with an original maturity of three months or less when purchased to be cash equivalents. All cash and cash equivalents are held in United States financial institutions. Cash and cash equivalents include money market funds that invest primarily in commercial paper and U.S. government and U.S. government agency obligations.

Fair Value of Financial Instruments

In accordance with ASC 825, *Financial Instruments*, disclosures of fair value information about financial instruments are required, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. Cash and cash equivalents are carried at fair value (see Note 3).

Financial instruments, including accounts payable and accrued liabilities, are carried at cost, which approximates fair value given their short-term nature.

Property and Equipment

Property and equipment, consisting of manufacturing, office and computer equipment, is stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line, method over the estimated useful lives of the assets.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are charged to earnings in the period in which costs are incurred. Improvements and additions are capitalized in accordance with Company policy.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Polices (Continued)

Long-Lived Assets

In accordance with ASC 360, *Property, Plant and Equipment*, the Company's policy is to review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management does not believe that there has been any impairment of the carrying value of any long-lived assets as of December 31, 2013.

Research and Development Expense

Research and development costs are expensed as incurred. Research and development expense consists primarily of costs related to personnel, including salaries and other personnel-related expenses, expenses related to manufacturing, clinical trial expenses, consulting fees and support services used in drug development. All research and development costs are charged to operations as incurred in accordance with ASC 730, *Research and Development*.

In certain circumstances, the Company is required to make advance payments to vendors for goods or services that will be received in the future for use in research and development activities. In such circumstances, the advance payments are deferred and are expensed when the activity has been performed or when the goods have been received.

Deferred Financing Costs

Costs directly attributable to the Company's term loan (see Note 7) are deferred and capitalized. These costs represent legal fees and other costs related to the term loan and are being amortized over the term of the loan. Amortization of deferred financing costs charged to interest expense was $0, $45,000 and $45,000 for the years ended December 31, 2012 and 2013 and the period from December 22, 1997 (inception) through December 31, 2013, respectively.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to credit risk consist principally of cash and cash equivalents. All cash and cash equivalents are held in business checking and money market accounts in United States financial institutions the balances of which, at times, exceed federally insured limits. The Company has not recognized any losses from credit risks on such accounts. The Company believes it is not exposed to significant credit risks on cash and cash equivalents. The Company has no financial instruments with off-balance sheet risk of accounting loss.

Warrants

The Company accounts for its warrants to purchase redeemable convertible stock in accordance with ASC 480, *Distinguishing Liabilities from Equity*. ASC 480 requires that a financial

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Polices (Continued)

instrument, other than outstanding share, that, at inception, is indexed to an obligation to repurchase the issuer's equity shares, regardless of the timing or the probability of the redemption feature, and may require the issuer to settle the obligation by transferring assets be classified as a liability. The Company measures the fair value of its warrant liability using an option pricing model with changes in fair value recognized in the statement of operations. As of December 31, 2013, there were outstanding 146,956 warrants to purchase Series A-1 convertible preferred stock at $10.00 per share, 33,062 warrants to purchase Series A-2 convertible preferred stock at $10.00 per share and 25,002 warrants to purchase Series C convertible preferred stock at $15.00 per share. These warrants expire between December 14, 2019 and December 30, 2019.

Income Taxes

The Company accounts for deferred taxes using the asset and liability method as specified by ASC 740, *Income Taxes*. Deferred income tax assets and liabilities are determined based on differences between the financial statement reporting and the tax basis of assets and liabilities, operating losses and tax credit carryforwards. Deferred income taxes are measured using the enacted tax rates and laws that are anticipated to be in effect when the differences are expected to reverse. The measurement of deferred income tax assets is reduced, if necessary, by a valuation allowance for any tax benefits which are not expected to be realized. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the period that such tax rate changes are enacted.

The Company has adopted the authoritative guidance on accounting for and disclosure of uncertainty in tax positions which prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company has no uncertain tax positions as of December 31, 2013 that qualifies for either recognition or disclosure in the financial statements under this guidance.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation-Stock Compensation*. The Company grants stock options for a fixed number of shares to employees and non-employees with an exercise price equal to the fair value of the shares at grant date. Compensation cost is recognized for all share-based payments granted and is based on the grant-date fair value estimated using the weighted-average assumption of the Black-Scholes option pricing models. The equity instrument is not considered to be issued until the instrument vests. As a result, compensation cost is recognized over the requisite service period with an offsetting credit to additional paid-in capital.

Awards for consultants are accounted for under ASC 505-50, *Equity Based Payments to Non-Employees*. Any compensation expense related to consultants is marked-to-market over the applicable vesting period as they vest.

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Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Polices (Continued)

Beneficial Conversion Charge

When the Company issues debt or equity securities that are convertible into capital stock at a discount from the fair value of the capital stock at the date of the debt or equity financing is committed, a beneficial conversion charge is measured as the difference between the fair value and the conversion price at the commitment date. The beneficial conversion charge is presented as a discount or reduction to the related debt security or as an immediate charge to earnings, with an offsetting credit to increase additional paid-in capital. The Company recognized $600,000 of beneficial conversion charge on its Statement of Operations for the year ended December 31, 2012 as a result of the issuance of convertible bridge notes issued in May 2012.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one operating segment, which is the business of developing its transdermal patch for use in contraception.

Comprehensive Income

Effective January 1, 2012, an update to an accounting standard was issued that requires all non-owner changes in stockholders' equity to be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This update was applied retrospectively. The Company adopted this pronouncement and elected to present a separate statement of comprehensive income. The Company did not incur any components of comprehensive income for the periods presented and therefore, did not include a statement of comprehensive income in the financial statements.

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted net loss per share is calculated by dividing the net loss by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method. Dilutive common stock equivalents are comprise of convertible preferred stock and options outstanding under the Company's equity incentive plans. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss position.

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Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Polices (Continued)

Potentially dilutive securities not included in the calculation of diluted net loss per share because to do so would be anti-dilutive are as follows (in common equivalent shares):

	Year Ended December 31	
	2012	2013
Convertible preferred stock	6,292,369	6,292,369
Convertible preferred stock warrants	205,020	205,020
Common stock options	958,379	831,158
Total	7,455,768	7,328,547

The following table summarizes the Company's historical computation of basic and diluted net loss per share:

	Year Ended December 31	
	2012	2013
Numerator		
Net loss	$ (23,260,127)	$ (14,320,620)
Less beneficial conversion charge	(600,000)	—
Net loss attributable to common stockholders	$ (23,860,127)	$ (14,320,620)
Denominator		
Common shares outstanding	28,227	35,347
Less weighted average unvested common shares	—	—
Weighted average shares used to compute net loss per share	28,227	35,347
Net loss per share, basic and diluted	$ (845.29)	$ (405.14)

3. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, describes the fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets

Agile Therapeutics, Inc.
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Notes to Financial Statements (Continued)

December 31, 2013

3. Fair Value Measurements (Continued)

and liabilities that are measured at fair value are reported using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quotes prices in active markets for identical assets and liabilities. The Company's Level 1 assets and liabilities consist of cash and cash equivalents.
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities. The Company has no Level 2 assets or liabilities.
- Level 3 — Unobservable inputs that are supported by little or no market data and which require internal development of assumptions about how market participant price the fair value of the assets or liabilities. The Company's Level 3 liabilities consist of the warrant liability.

The Company is required to mark the value of its warrant liability to market and recognize the change in valuation in its statements of operations each reporting period.

The following table sets forth the Company's financial instruments measured at fair value by level within the fair value hierarchy as of December 31, 2012 and 2013.

	Level 1	Level 2	Level 3
2012			
Assets:			
Cash equivalents	$ 19,949,334	$ —	$ —
Total assets at fair value	$ 19,949,334	$ —	$ —
Liabilities:			
Series A-1 warrants	$ —	$ —	$ 305,583
Series A-2 warrants	—	—	44,929
Series C warrants	—	—	212,976
Total liabilities at fair value	$ —	$ —	$ 563,488

The significant assumptions used in preparing the option pricing model for valuing the Company's warrants as of December 31, 2012 include (i) volatility (105.2%), (ii) risk free interest rate of 1.13% (estimated using treasury bonds with a 7 year life), (iii) strike price ($10.00) for the Series A-1 and Series A-2 warrants and $15.00 for the Series C warrants, (iv) fair value of

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Notes to Financial Statements (Continued)

December 31, 2013

3. Fair Value Measurements (Continued)

Series A-1 preferred stock ($2.88), Series A-2 preferred stock ($2.00) and Series C preferred stock ($10.49) and (v) expected life (seven years).

The following is a rollforward of the fair value of Level 3 warrants:

Beginning balance at December 31, 2011	$ 521,525
Issuance of Series C warrants	212,976
Change in fair value	(171,013)
Ending balance at December 31, 2012	563,488
Change in fair value	80,990
Ending balance at December 31, 2013	$ 644,478

	Level 1	Level 2	Level 3
2013			
Assets:			
Cash equivalents	$ 2,066,156	$ —	$ —
Total assets at fair value	$ 2,056,156	$ —	$ —
Liabilities:			
Series A-1 warrants	$ —	$ —	$ 438,978
Series A-2 warrants	—	—	64,537
Series C warrants	—	—	140,963
Total liabilities at fair value	$ —	$ —	$ 644,478

The significant assumptions used in preparing the option pricing model for valuing the Company's warrants as of December 31, 2013 include (i) volatility (104.8%), (ii) risk free interest rate of 1.94% (estimated using treasury bonds with a 6 year life), (iii) strike price ($10.00) for the Series A-1 and Series A-2 warrants and $15.00 for the Series C warrants, (iv) fair value of Series A-1 preferred stock ($4.17), Series A-2 preferred stock ($2.91) and Series C preferred stock ($7.63) and (v) expected life (six years).

There were no transfers between Level 1, 2 or 3 during 2012 or 2013. If the Company's estimates regarding the fair value of its warrants are inaccurate, a future adjustment to these estimated fair values may be required. Additionally, these estimated fair values could change significantly.

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Notes to Financial Statements (Continued)

December 31, 2013

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	December 31	
	2012	2013
Prepaid insurance	$ 149,064	$ 48,055
Other	105,039	98,649
Total prepaid expenses and other current assets	$ 254,103	$ 146,704

5. Property and Equipment

Property and equipment, consisting of manufacturing, office and computer equipment, is stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line, method over the estimated useful lives of the assets. Property and equipment consist of the following:

	December 31		Estimated
	2012	2013	Life
Office equipment	$ 50,653	$ 51,723	3 - 10 years
Computer equipment	65,746	65,746	3 years
Manufacturing equipment	7,174,392	12,118,702	5 years
	7,290,791	12,236,171	
Less: accumulated depreciation	(261,215)	(273,092)	
Property and equipment, net	$ 7,029,576	$ 11,963,079	

As December 31, 2012 and 2013, manufacturing equipment includes approximately $7.0 million and $11.9 million, respectively, of equipment which is in the process of being designed, constructed and qualified and is not currently being depreciated.

Agile Therapeutics, Inc.
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Notes to Financial Statements (Continued)

December 31, 2013

6. Accrued Liabilities

Accrued liabilities consist of the following:

	December 31	
	2012	2013
Employee bonuses	$ 382,525	$ 238,941
Other	33,910	140,223
Total accrued liabilities	$ 416,435	$ 379,164

7. Term Loan

In December 2012, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with Oxford Finance LLC ("Oxford Finance") pursuant to which the Company borrowed a total of $15.0 million (the "Term Loan") from Oxford. The Term Loan accrues interest at a fixed annual interest rate equal to 9.20% (Three-month U.S. Libor rate of 0.47% plus 8.73%).

Interest on the Term Loan is payable monthly and principal is due in 30 equal consecutive monthly installments beginning on February 1, 2014 and ending on July 1, 2016. In addition, the Company is required to make a final payment of $675,000 on the maturity date of the Term Loan (July 1, 2016).

The Company may prepay all, but not less than all, of the Term Loan subject to a prepayment premium of 2% of the outstanding principal during the first twenty-four months of the Term Loan. From months twenty-five to loan maturity the prepayment premium is 0.75% of the outstanding principal. The obligations of the Company under the Loan Agreement are secured with a blanket lien on all assets of the Company, excluding its intellectual property assets. Under the Loan Agreement, the Company is subject to specified affirmative and negative covenants. The Loan Agreement provides, that, upon the occurrence of certain events of default, the Company's obligations under the Loan Agreement may be automatically accelerated, whereupon the Company's obligations under the Loan Agreement shall be immediately due and payable. At December 31, 2013, the Company believes it is in compliance with the Loan Agreement.

In connection with the Loan Agreement, the Company issued Oxford Finance warrants to purchase 25,002 shares of Series C Preferred Stock at $15.00 per share. These warrants are exercisable for seven years from the date of issuance. The value of these warrants was calculated to be approximately $213,000 which is being accreted to interest expense ratably over the term of the loan.

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(A Development Stage Enterprise)

Notes to Financial Statements (Continued)

December 31, 2013

7. Term Loan (Continued)

Interest expense on the Term Loan including the accretion of the value of the Series C preferred stock warrants and amortization of the deferred financing costs was approximately $1,472,300 for the year ended December 31, 2013.

The annual maturities of the Term Loan, as of December 31, 2013, are as follows:

2014	$ 5,105,407
2015	6,081,174
2016	3,813,419
Total	$ 15,000,000

In January 2014, the Company amended the Loan Agreement with Oxford (see Note 12)

8. Capital Structure

In December 2009, in connection with the closing of its Series A-1 and A-2 Preferred Stock financing, the Company was recapitalized, such that each of the previously outstanding shares of Series A, B, C, D, E and E-1 Convertible Preferred Stock (Prior Series Preferred) and Common Stock (Prior Common) were converted into one-one hundredth of a share of the Company's newly authorized Common Stock. The financial statements reflect the change in the capitalization of the Company.

The Company accounted for the recapitalization as an extinguishment of its previously outstanding Prior Series Preferred and Prior Common stock and the excess of the carrying amount of the Prior Series Preferred immediately prior to the recapitalization over the fair value of the Series A-1 and A-2 Preferred Stock is reflected as an adjustment to additional paid in capital.

Convertible Preferred Stock

As of December 31, 2013 the authorized capital stock of the Company included 7,605,721 shares of preferred stock, par value $.0001 per share, of which: (i) 284,743 shares have been designated as Series A-1 convertible preferred stock, (ii) 99,178 shares have been designated as Series A-2 convertible preferred stock, (iii) 4,510,066 shares have been designated as Series B convertible preferred stock and (iv) 2,711,734 shares have been designated as Series C convertible preferred stock, all collectively "Preferred Stock."

Sales of Convertible Preferred Stock

In March 2012, the Company completed its Series B Preferred Stock financing by issuing the remaining 253,999 shares of Series B convertible preferred stock at a price of $10.00 per share resulting in net proceeds of approximately $2.5 million.

Agile Therapeutics, Inc.
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Notes to Financial Statements (Continued)

December 31, 2013

8. Capital Structure (Continued)

In July 2012, the Company entered into a Series C Preferred Stock Purchase Agreement (the "Series C Agreement") to issue a total of 2,711,734 shares of Series C Preferred Stock at a purchase price per share of $15.00. In July 2012, the Company issued the initial tranche of 1,578,400 shares of Series C Convertible Preferred Stock and received net proceeds of approximately $22.9 million.

An additional closing of the sale of 1,133,334 shares of Series C Convertible Preferred Stock will be held if the investors and the Board of Directors of the Company at any time prior to July 18, 2014 mutually determine an additional closing shall be held. The Company has evaluated the future tranche right included in the terms of the Series C Convertible Preferred Stock offering and determined that the investors' right to acquire additional shares of Series C Convertible Preferred Stock is contractually embedded and not legally detachable. Such feature is not required to be bifurcated from the Series C Convertible Preferred Stock as it does not meet the definition of a derivative.

General

The rights, preferences and privileges of the preferred stock are as follows:

Voting

The holders of the Series C Preferred Stock, Series B Preferred Stock and Series A-1 Preferred Stock have voting rights equal to the common stockholders on a converted basis. Except as otherwise required by law, the holders of Series A-2 Preferred Stock shall not be entitled to vote.

Preferred Stock Dividends

The Series C Preferred stockholders are entitled to non-cumulative dividends at an annual rate of 8% of the original issuance price commencing on the date that the shares were issued by the Company.

The Series B Preferred stockholders and the Series A-1 Preferred stockholders are entitled to non-cumulative dividends at an annual rate of 8% of the original issuance price commencing on the date that the shares were issued by the Company. Dividends are payable when, if and as declared by the Board of Directors. The Series A-2 Preferred stockholders are not entitled to dividends. No dividends have been declared through December 31, 2013. If dividends were declared for 2013, the Series C Preferred stockholders would be due approximately $1.9 million, the Series B Preferred stockholders would be due approximately $3.6 million, and the Series A-1 Preferred stockholders would be due approximately $110,000.

Agile Therapeutics, Inc.
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Notes to Financial Statements (Continued)

December 31, 2013

8. Capital Structure (Continued)

Liquidation

The holders of the Series C Preferred Stock are entitled to receive, upon liquidation, dissolution or winding up of the Company before any payment is made to the holders of Series B Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock and the holders of Common Stock a distribution of the original issue price, plus accrued but unpaid dividends. After the holders of Series C Preferred Stock have been paid in full the preferential amounts to which they are entitled, the holders of Series B Preferred Stock are entitled to receive, before any payment is made to the holders of Series A-1 Preferred Stock, the holders of Series A-2 Preferred Stock and the holders of Common Stock a distribution of the original issue price, plus accrued but unpaid dividends. After the holders of Series C Preferred Stock and Series B Preferred Stock have been paid in full the preferential amounts to which they are entitled, the holders of Series A-1 Preferred Stock are entitled to receive, before any payment is made to the holders of Series A-2 Preferred Stock and the holders of Common Stock a distribution of the original issue price, plus accrued but unpaid dividends. After the holders of Series C Preferred Stock, Series B Preferred Stock and Series A-1 Preferred Stock have been paid in full the preferential amounts to which they are entitled, the holders of Series A-2 Preferred Stock are entitled to receive, before any payment is made to the holders of Common Stock a distribution of the original issue price. Thereafter, the Series C, the Series B and the Series A-1 stockholders will fully participate with common stockholders on an "as converted" basis for all remaining assets distributable to stockholders.

Conversion

The holders of Series C Preferred Stock, Series B Preferred Stock and Series A-1 Preferred Stock have the right to convert their Preferred Stock shares, at any time, in whole or in part, into shares of common stock at a ratio equal to (i) the applicable conversion value by (ii) the then applicable conversion price.

The Series C, the Series B, the Series A-1 and A-2 Preferred Stock automatically convert into shares of common stock at the then effective conversion price upon: (i) the closing of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, covering the offer and sale of common stock for a price per share equal to at least $30.00 and from which the Corporation receives gross proceeds of at least $80,000,000 or (ii) the affirmative vote of the holders of at least a majority of the voting power the Series C Preferred Stock, the Series B Preferred Stock and the Series A-1 Preferred Stock, respectively, after first giving effect, if in conjunction with a public offering which is not a Qualified Public Offering, to any adjustment of the conversion price for each series of preferred stock to which it would otherwise be entitled by virtue of such public offering.

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Notes to Financial Statements (Continued)

December 31, 2013

8. Capital Structure (Continued)

The Company evaluated each series of its preferred stock and determined that each individual series is considered an equity host under ASC 815, *Derivatives and Hedging*. In making this determination, the Company's analysis followed the whole instrument approach which compares an individual feature against the entire preferred stock instrument which includes that feature. The Company's analysis was based on a consideration of the economic characteristics and risks of each series of preferred stock. More specifically, the Company evaluated all of the stated and implied substantive terms and features, including (i) whether the preferred stock included redemption features, (ii) how and when any redemption features could be exercised, (iii) whether the holders of preferred stock were entitled to dividends, (iv) the voting rights of the preferred stock and (v) the existence and nature of any conversion rights. As a result of the Company's conclusion that the preferred stock represents an equity host, the conversion feature of all series of preferred stock is considered to be clearly and closely related to the associated preferred stock host instrument. Accordingly, the conversion feature of all series of preferred stock is not considered an embedded derivative that requires bifurcation.

The Company accounts for potentially beneficial conversion features under ASC 470-20, *Debt with Conversion and Other Options*. At the time of each of the issuances of convertible preferred stock, the Company's common stock into which each series of the Company's preferred stock is convertible had an estimated fair value less than the effective conversion prices of the convertible preferred stock. Therefore, there was no intrinsic value on the respective commitment dates for the convertible preferred stock instruments.

Common Stock

As of December 31, 2013 the authorized capital stock of the Company included 12,000,000 shares of common stock, par value $.0001 per share.

General

The voting, dividend and liquidation rights of the holders of Common Stock are subject to and qualified by the rights, powers, preferences of the holders of shares of preferred stock. The Common Stock has the following characteristics:

Voting

The holders of shares of Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders.

Agile Therapeutics, Inc.
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Notes to Financial Statements (Continued)

December 31, 2013

8. Capital Structure (Continued)

Dividends

The holders of Common Stock are entitled to receive dividends, if and when declared by the board of directors. Cash dividends may not be declared or paid to holders of shares of common stock until paid on each series of outstanding voting preferred stock in accordance with their respective terms. As of December 31, 2013, no dividends have been declared or paid since the Company's inception.

Liquidation

After payment to the holders of shares of preferred stock of all of their liquidation preferences, the holders of shares of Common Stock are entitled to share ratably in the Company's assets available for distribution to stockholders, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or upon the occurrence of a deemed liquidation event.

9. Equity Incentive Plans

Since inception, the Company granted stock options under an amended and restated 1997 Equity Incentive Plan (the "1997 Plan") and a 2008 Equity Incentive Plan (the "2008 Plan"). The plans provide for the granting of incentive and nonstatutory options and stock awards to consultants, directors, officers and employees. Such options are exercisable for a period of ten years and generally vest over a four-year period. In conjunction with the adoption of the 2008 Plan in April 2008, no additional grants were made from the 1997 Plan and issued options from the 1997 Plan remain outstanding. As of December 31, 2013, there were 279,592 shares available for future grant under the 2008 Plan.

Through December 31, 2013, the Company granted options to certain employees and nonemployees to purchase shares of common stock at exercise prices ranging from $1.00 to $2,700.00 per share. The Company recorded non cash stock based compensation expense of $665,454 and $1,337,857 for the years ended December 31, 2012 and 2013, respectively, based on

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Notes to Financial Statements (Continued)

December 31, 2013

9. Equity Incentive Plans (Continued)

the fair market value of the options granted at the grant date as determined using a Black-Scholes option pricing model. Stock-based compensation expense was as follows:

	Year Ended December 31	
	2012	2013
Employee	$ 509,747	$ 475,897
Non-employee	155,707	861,960
Total	$ 665,454	$ 1,337,857

The following weighted average assumptions were used to compute employee stock-based compensation under the Black-Scholes option pricing model:

	2012	2013
Risk-free interest rate	0.80%	1.73%
Expected volatility	105.2%	104.8%
Expected dividend yield	0%	0%
Expected life (in years)	6.25	6.25
Weighted average grant date fair value for options granted	$ 5.00	$ 5.04

Risk-free interest rate. The Company bases the risk-free interest rate assumption on observed interest rates appropriate for the expected term of the stock option grants.

Expected dividend yield. The Company bases the expected dividend yield assumption on the fact that it has never paid cash dividends and has no present intention to pay cash dividends.

Expected volatility. The expected volatility assumption is based on volatilities of a peer group of similar companies whose share prices are publicly available. The peer group was developed based on comparable companies in the biotechnology and pharmaceutical industries.

Expected term. The expected term represents the period of time that options are expected to be outstanding. Because the Company does not have historic exercise behavior, Management determined the expected life assumption using the simplified method, which is an average of the contractual term of the option and its ordinary vesting period.

Forfeitures. The Company reduces stock-based compensation expense for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

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Notes to Financial Statements (Continued)

December 31, 2013

9. Equity Incentive Plans (Continued)

As of December 31, 2013, the unrecorded deferred stock-based compensation balance related to stock options was approximately $1.3 million and will be recognized over an estimated weighted-average amortization period of 1.9 years.

The following tables summarize information concerning outstanding and exercisable options as of December 31, 2013:

Options Outstanding		Options Exercisable	
Weighted-Average Exercise Price	Number Outstanding at Year End	Weighted-Average Exercise Price	Number Exercisable at Year End
$2,700.00	3	$ 2,700.00	3
$ 400.00	1,105	$ 400.00	1,105
$ 6.13	437,461	$ 6.13	193,717
$ 2.47	322,434	$ 2.47	277,430
$ 1.00	70,155	$ 1.00	70,155
	831,158		542,410

Agile Therapeutics, Inc.
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Notes to Financial Statements (Continued)

December 31, 2013

9. Equity Incentive Plans (Continued)

The following table summarizes the options outstanding, options vested and the options exercisable as of December 31, 2012 and 2013:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding at December 31, 2011	463,768	$ 3.46	8.8 years	
Options granted	494,611	6.13	9.9 years	
Options cancelled/forfeited	—	—		
Options outstanding at December 31, 2012	958,379	4.78	8.9 years	
Options granted	19,667	6.13		
Options exercised	(37,169)	1.89		
Options cancelled/forfeited	(109,719)	5.74		
Options outstanding at December 31, 2013	831,158	4.81	7.9 years	$ 5,764,958
Options exercisable at December 31, 2013	542,410	4.41	7.5 years	$ 4,130,516
Vested and expected to vest at December 31, 2013	826,875	4.81	7.9 years	

Intrinsic value in the above table was calculated as the difference between the Company's estimated stock price at December 31, 2013, of $11.22, and the exercise price, multiplied by the number of options. Intrinsic value for options exercised during 2013 amounts to $157,749.

10. Income Taxes

As of December 31, 2013, the Company had available net operating loss carryforwards ("NOL") of approximately $108.4 million and $84.0 million for federal and state income tax reporting purposes, respectively, which are available to offset future federal and state taxable income, if any, through 2033. The Company also has research and development tax credit carryforwards of approximately $2.4 million and $0.7 million for federal and state income tax reporting purposes, respectively, which are available to reduce federal income taxes, if any, through 2033 and state income taxes, if any, through 2028.

The Internal Revenue Code of 1986, as amended (the "Code") provides for a limitation on the annual use of NOL and other tax attributes (such as research and development tax credit carryforwards) following certain ownership changes, as defined by the Code that could significantly limit the Company's ability to utilize these carryforwards. At this time, the Company has not completed a study to assess whether an ownership change under Section 382 of the Code has

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Notes to Financial Statements (Continued)

December 31, 2013

10. Income Taxes (Continued)

occurred, or whether there have been multiple ownership changes since the Company's formation, due to the costs and complexities associated with such a study. The Company may have experienced various ownership changes, as defined by the Code, as a result of past financings. Accordingly, the Company's ability to utilize the aforementioned carryforwards may be limited. Additionally, U.S. tax laws limit the time during which these carryforwards may be applied against future taxes. Therefore, the Company may not be able to take full advantage of these carryforwards for federal and state income tax purposes.

The Company does not have any significant unrecognized tax benefits.

As of December 31, 2013, the Company has not accrued interest or penalties related to uncertain tax positions. The Company's tax returns for the years ended December 31, 2010 through December 31, 2012 are still subject to examination by major tax jurisdictions.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets are presented below:

	December 31	
	2012	2013
Deferred tax assets:		
Net operating loss carryforwards	$ 36,500,000	$ 41,800,000
Research credit carryforward	2,724,000	3,110,000
Stock options	179,000	481,000
Total gross deferred tax assets	39,403,000	45,391,000
Valuation allowance for deferred tax assets	(39,403,000)	(45,391,000)
Net deferred tax assets	$ —	$ —

The gross deferred tax assets and the valuation allowance shown above represent the items which reduce the income tax benefit which would result from applying the federal statutory tax rate to the pretax loss and cause no income tax expense or benefit to be recorded for the years ended December 31, 2012 and 2013.

The net change in the valuation allowance for the years ended December 31, 2012 and 2013 was an increase of $8.9 million and $6.0 million, respectively, related primarily to net operating losses incurred by the Company which are not currently deductible.

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Notes to Financial Statements (Continued)

December 31, 2013

10. Income Taxes (Continued)

A reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate is as follows:

	December 31	
	2012	**2013**
Federal income tax at statutory rate	34%	34%
State income tax benefit, net of federal benefit	5.8%	5.7%
Research and development tax credits	0.4%	2.7%
Other	(0.5)%	(1.4)%
Increase to valuation allowance	(39.7)%	(41.0)%
Effective income tax rate	0.00%	0.00%

11. Commitments and Contingencies

Operating Leases

The Company leases approximately 7,000 square feet of office space in Princeton, NJ. The current term of the lease is for a two year period ending on November 30, 2015. The Company has an option to renew the lease for a term of three years.

Rent expense was $113,962, $141,854 and $543,131 for the years ended December 31, 2012 and 2013 and the period from December 22, 1997 (inception) to December 31, 2013.

Future minimum annual lease commitments under the noncancelable operating lease in effect as of December 31, 2013 are as follows:

2014	$ 159,042
2015	$ 148,729

Amended and Restated Transaction Bonus Plan

During 2012, the Company's Board of Directors adopted a Transaction Bonus Plan (which was subsequently amended), the purpose of which is to provide incentives to the employees and certain key consultants of the Company by providing for the payment of transaction bonuses to eligible employees and consultants upon the closing of a Qualifying Change of Control of the Company (as defined in the Amended and Restated Transaction Bonus Plan). A discretionary bonus pool of up to $500,000 can be allocated among eligible participants and shall be determined by the Compensation Committee of the Board of Directors. The Board of Directors may terminate the Amended and Restated Transaction Bonus Plan at any time. There is no accrual

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Notes to Financial Statements (Continued)

December 31, 2013

11. Commitments and Contingencies (Continued)

related to the Transaction Bonus Plan as of December 31, 2013 as a Qualifying Change of Control was not probable as of such date.

Amended and Restated Retention Bonus Plan

During 2012, the Company's Board of Directors adopted a Retention Bonus Plan (which was subsequently amended), the purpose of which is to reward designated employees and consultants of the Company to continue in the service of the Company through the closing date of a Change of Control (as defined in the Amended and Restated Retention Bonus Plan) by providing each employee and consultant who remains continuously in the services of the Company until that time with the opportunity to receive a bonus. Subject to the terms and conditions of the Amended and Restated Retention Bonus Plan, including the consummation of a Change of Control, each eligible participant shall receive a bonus award equal to a number of units with each unit being equivalent to the economic rights of one share of the Company's common stock upon the consummation of a Change of Control. Each unit held by an eligible participant on the closing date of a Change of Control shall entitle such eligible participant to receive a bonus consisting of the same economic consideration that such eligible participant would receive if such eligible participant held one share of common stock on the closing date of the Change of Control.

A total of 77,000 units are available for grant under the Amended and Restated Retention Bonus as of December 31, 2013. No units have been granted as of December 31, 2013. No rights under the Amended and Restated Retention Bonus Plan vest until the closing of a Change of Control. The Board of Directors may terminate the Amended and Restated Retention Bonus Plan at any time.

12. Subsequent Events

The following events occurred subsequent to December 31, 2013 through the date the financial statements was available to be issued.

Amendment to Loan Agreement

In January 2014 the Company amended its Loan Agreement with Oxford Finance whereby the interest only period was extended for three months (through April 1, 2014). The interest only period may be extended for an additional three months (through July 1, 2014) should the Company receive cash proceeds of not less than $3.0 million from the sale of unsecured subordinated convertible debt and/or equity securities before May 1, 2014.

The interest only period may be further extended for an additional six months (through January 1, 2015) should the Company receive cash proceeds of not less than $45.0 million from the sale of equity securities in a private placement or IPO before August 1, 2014.

Agile Therapeutics, Inc.
(A Development Stage Enterprise)

Notes to Financial Statements (Continued)

December 31, 2013

12. Subsequent Events (Continued)

The maturity date of the loan will be extended to July 1, 2017 if the Company completes the sale of equity securities of not less than $45.0 million in a private placement or IPO before August 1, 2014.

In connection with the amendment to the Loan Agreement the Company has agreed to pay Oxford Finance a total of $150,000 ($75,000 is due upon the closing of the next equity financing and the remaining $75,000 is due upon the earlier of an IPO or loan maturity).

Sale of New Jersey Net Operating Losses

The Company received approval to sell a portion of the Company's New Jersey net operating losses (NOLs) as part of the Technology Business Tax Certificate Program sponsored by The New Jersey Economic Development Authority. Under the program, emerging biotechnology companies with unused NOLs and unused research and development credits are allowed to sell these benefits to other companies. On February 27, 2014, the Company completed the sale of NOLs totaling approximately $39.5 million for net proceeds of approximately $3.6 million which will be reflected as a tax benefit in the first quarter of 2014.

Shares

COMMON STOCK

RBC CAPITAL MARKETS **WILLIAM BLAIR**

CANTOR FITZGERALD & CO. **JANNEY MONTGOMERY SCOTT**

, 2014

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution***

The expenses (other than underwriting discounts and commissions) payable in connection with this offering are as follows:

SEC registration fee	$ 8,888
FINRA filing fee	10,850
NASDAQ listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses (including legal fees)	*
Transfer agent and rights agent and registrar fees and expenses	*
Miscellaneous	*
Total	$ *

* To be filed by amendment.

All expenses are estimated except for the SEC fee, the FINRA filing fee and the NASDAQ listing fee.

Item 14. ***Indemnification of Directors and Officers***

Section 102(b)(7) of the Delaware General Corporation Law, or DGCL, provides that a Delaware corporation, in its certificate of incorporation, may limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

(1) Transaction from which the director derived an improper personal benefit;

(2) Act or omission not in good faith or that involved intentional misconduct or a knowing violation of law;

(3) Unlawful payment of dividends or purchase or redemption of shares; or

(4) Breach of the director's duty of loyalty to the corporation or its stockholders.

Section 145(a) of the DGCL provides, in general, that a Delaware corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) because that person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, so long as the person acted in good faith and in a manner he or she reasonably believed was in or

not opposed to the corporation's best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides, in general, that a Delaware corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the corporation to obtain a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action, so long as the person acted in good faith and in a manner the person reasonably believed was in or not opposed to the corporation's best interests, except that no indemnification shall be permitted without judicial approval if a court has determined that the person is to be liable to the corporation with respect to such claim. Section 145(c) of the DGCL provides that if a present or former director or officer has been successful in defense of any action referred to in Sections 145(a) and (b) of the DGCL, the corporation must indemnify such officer or director against the expenses (including attorneys' fees) he or she actually and reasonably incurred in connection with such action.

Section 145(g) of the DGCL provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise against any liability asserted against and incurred by such person, in any such capacity, or arising out of his or her status as such, whether or not the corporation could indemnify the person against such liability under Section 145 of the DGCL.

Our amended and restated certificate of incorporation and our bylaws, each of which will become effective upon the closing of this offering, each provide for the indemnification of our directors and officers to the fullest extent permitted under the DGCL.

We have entered into indemnification agreements with our directors and executive officers. These indemnification agreements may require us, among other things, to indemnify each such director and executive officer for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by him in any action or proceeding arising out of his service as one of our directors or executive officers.

We intend to purchase and maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

We will enter into an underwriting agreement in connection with this offering, which will provide for indemnification by the underwriters of us, our officers and directors, for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, or the Securities Act.

Item 15. ***Recent Sales of Unregistered Securities***

In the preceding three years, the Registrant has issued the following securities that were not registered under the Act:

(1) In June 2011, pursuant to the Series B Preferred Stock Purchase Agreement, we issued and sold an aggregate of 800,000 shares of Series B Preferred Stock to investors at a price of $10.00 per share, for an aggregate purchase price of $8,000,000.

(2) In August 2011, pursuant to the Series B Preferred Stock Purchase Agreement, we issued and sold an aggregate of 950,000 shares of Series B Preferred Stock to investors at a price of $10.00 per share, for an aggregate purchase price of $9,500,000.

(3) In March 2012, pursuant to the Series B Preferred Stock Purchase Agreement, we issued and sold an aggregate of 253,999 shares of Series B Preferred Stock to investors at a price of $10.00 per share, for an aggregate purchase price of $2,539,990.

(4) In May 2012, we issued convertible promissory notes in the aggregate principal of $6,000,000 to investors pursuant to a note purchase agreement. These notes, together with accrued interest, converted into 450,654 shares of Series C Preferred Stock in July 2012.

(5) In July 2012, pursuant to the Series C Preferred Stock Purchase Agreement, we issued and sold an aggregate of 1,127,746 shares of Series C Preferred Stock to investors at a price of $15.00 per share, for an aggregate purchase price of $16,916,190.

(6) In December 2012, we issued warrants to purchase up to an aggregate of 25,002 shares of Series C Preferred Stock at an exercise price of $15.00 per share, no separate consideration was paid for the issuance of these warrants, pursuant to the terms of our loan and security agreement with Oxford Finance LLC.

(7) In March 2013, we issued an aggregate of 8,558 shares of common stock to certain employees in connection with 2012 bonuses.

(8) In December 2013, we issued an aggregate of 37,169 shares of common stock upon the exercise of stock options.

(9) In March 2014, we issued an aggregate of 7,131 shares of common stock to certain employees in connection with 2013 bonuses.

(10) From January 1, 2011 to date, we granted stock options under our 2008 Equity Incentive Plan to purchase an aggregate of 576,378 shares of common stock at a weighted average exercise price of $6.56 per share to officers, employees and consultants.

The offers, sales and issuances of the securities described in paragraphs (1), (2), (3), (4), (5) and (6) were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) (or Regulation D promulgated thereunder), in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an

accredited investor under Rule 501 of Regulation D. No underwriters were involved in these transactions.

The offers, sales and issuances of the securities described in paragraphs (7), (8), (9) and (10) were deemed to be exempt from registration under the Securities Act in reliance on Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of such securities were our employees, directors or bona fide consultants and received the securities under our 2008 Equity Plan. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) Exhibits:

See the Exhibit Index attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules

All information for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission is either included in the financial statements or is not required under the related instructions or is inapplicable, and therefore has been omitted.

Item 17. ***Undertakings.***

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 14 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to

Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on March 17, 2014.

AGILE THERAPEUTICS, INC.

By /s/ ALFRED ALTOMARI

Alfred Altomari
Chief Executive Officer

Power of Attorney

Each person whose individual signature appears below hereby authorizes and appoints Alfred Altomari and Scott M. Coiante, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney in fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Registration Statement, including any and all post effective amendments and amendments thereto, and any registration statement relating to the same offering filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys in fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys in fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ALFRED ALTOMARI Alfred Altomari	Chief Executive Officer and Director (Principal Executive Officer)	March 17, 2014
/s/ SCOTT M. COIANTE Scott M. Coiante	Chief Financial Officer (Principal Financial and Accounting Officer)	March 17, 2014
/s/ KAREN HONG, PH.D. Karen Hong, Ph.D.	Director	March 17, 2014
/s/ ABHIJEET LELE Abhijeet Lele	Director	March 17, 2014

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Signature	Title	Date
/s/ LORENZO PELLEGRINI, PH.D. Lorenzo Pellegrini, Ph.D.	Director	March 17, 2014
/s/ ANDREW SCHIFF, M.D. Andrew Schiff, M.D.	Director	March 17, 2014

Index of Exhibits

Exhibit Number	Description
1.1†	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant.
3.2†	Form of Amended and Restated Certificate of Incorporation of the Registrant.
3.3†	Form of Amended and Restated Certificate of Incorporation of the Registrant to be effective upon closing of the offering.
3.4	Amended and Restated Bylaws of the Registrant.
3.5†	Form of Bylaws of the Registrant to be effective upon the closing of the offering.
4.1†	Specimen Certificate evidencing shares of Registrant's common stock.
4.2	Fifth Amended and Restated Registration Rights Agreement, dated as of July 18, 2012, by and among the Registrant and the parties listed therein.
4.3†	Form of Warrant to Purchase Shares of Series C preferred stock.
5.1†	Opinion of Morgan, Lewis & Bockius LLP.
10.1+†	Form of Indemnification Agreement.
10.2+	Agile Therapeutics, Inc. Amended and Restated 1997 Equity Incentive Plan, as amended, and form of Stock Option Agreement thereunder.
10.3+	Agile Therapeutics, Inc. Amended and Restated 2008 Equity Incentive Plan and form of Nonqualified Stock Option Agreement and form of Incentive Stock Option Agreement thereunder.
10.4+	Employment Agreement, dated October 11, 2010, by and between the Registrant and Alfred Altomari, as modified by the Amendment No. 1 to the Employment Agreement, dated December 12, 2012, by and between the Registrant and Alfred Altomari.
10.5+	Offer Letter, dated November 23, 2010, by and between the Registrant and Scott Coiante.
10.6+	Offer Letter, dated December 9, 2013, by and between the Registrant and Dr. Elizabeth Garner.
10.7+	Offer Letter, dated March 12, 2014, by and between the Registrant and Katie MacFarlane.
10.8*	Development, License and Commercialization Agreement, dated October 18, 2006, by and between the Registrant and Corium International, Inc. as modified by the Addendum to the Development, License and Commercialization Agreement, dated January 10, 2012, by and between the Registrant and Corium International, Inc. and Addendum No. 2 to Development, License and Commercialization Agreement, dated February 6, 2013, by and between the Registrant and Corium International, Inc.
10.9	Loan and Security Agreement, dated December 14, 2012, by and between the Registrant and Oxford Finance LLC, as modified by the First Amendment to the Loan and Security Agreement, dated January 31, 2014, by and between the Registrant and Oxford Finance LLC.
10.10	Consulting Agreement, dated October 16, 2009, by and between the Registrant and SmartPharma LLC, as modified by the Amendment to Consulting Agreement, dated February 22, 2013, by and between the Registrant and SmartPharma LLC, and Amendment No. 2 to Consulting Agreement, dated March 1, 2014, by and between the Registrant and SmartPharma LLC.

Exhibit Number	Description
10.11	Lease Agreement, dated November 19, 2010, by and between the Registrant and Bunn Farm Associates, LLC, as modified by the Lease Amendment, dated November 20, 2012, by and between the Registrant and Bunn Farm Associates, LLC, and the Second Lease Amendment, dated July 24, 2013, by and between the Registrant and Bunn Farm Associates, LLC.
23.1†	Consent of Morgan, Lewis & Bockius LLP (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP.
23.3	Consent of EisnerAmper LLP.
23.4	Consent of William T. McKee.
24.1	Powers of Attorney (included on signature page).

† To be filed by amendment.

+ Indicates management contract or compensatory plan.

* Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
AGILE THERAPEUTICS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Agile Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Agile Therapeutics, Inc. and that this corporation was originally incorporated pursuant to the General Corporation Law on December 5, 1997 under the name Levotech, Inc. pursuant to a Certificate of Amendment filed on March 23, 2001.

2. This Second Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors and the stockholders of this corporation in accordance with the General Corporation Law.

3. Pursuant to Sections 242 and 245 of the General Corporation Law, this Second Amended and Restated Certificate of Incorporation amends and restates all of the provisions of the current Amended and Restated Certificate of Incorporation of this corporation.

4. This Second Amended and Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law, and the stockholders of this corporation have given their written consent hereto in accordance with Section 228 of the General Corporation Law.

5. The text of the Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

FIRST — The name of the corporation is Agile Therapeutics, Inc. (the "***Corporation***").

SECOND — The registered office of the Corporation in the State of Delaware is located at 1111B South Governors Avenue, Dover Delaware 19904 in the County of Kent. The registered agent at this address is Capital Corporate Services, Inc.

THIRD — The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH — The aggregate number of shares of stock that the Corporation shall have the authority to issue is 19,596,721, of which 12,000,000 shares are Common Stock with a par value

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of $.0001 per share (the "***Common Stock***"), and 7,596,721 shares are Preferred Stock with a par value of $.0001 per share (the "***Preferred Stock***"). The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding and reserved for issuance in respect of securities convertible into or exercisable for shares of Common Stock) by an affirmative vote of the holders of at least a majority of the voting power of the outstanding shares of capital stock of the Corporation (the Preferred Stock and Common Stock voting together as a single class), irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "***DGCL***"), and shall automatically be decreased immediately after the Effective Time (as defined below) as set forth below.

The Preferred Stock may be issued from time to time by the Board of Directors as herein provided in one or more series. The designations, relative rights (including voting rights), preferences, limitations and restrictions of the Preferred Stock, and particularly of the shares of each series thereof, may, to the extent permitted by law, be similar to or may differ from those of any other series. The Board of Directors of the Corporation is hereby expressly granted authority, subject to the provisions of this Article Fourth, to issue from time to time Preferred Stock in one or more series in addition to the Series A-1 Convertible Preferred Stock (the "***Series A-1 Preferred Stock***"), the Series A-2 Convertible Preferred Stock (the "***Series A-2 Preferred Stock***"), the Series B Convertible Preferred Stock (the "***Series B Preferred Stock***") and the Series C Convertible Preferred Stock (the "***Series C Preferred Stock***" and, together with the Series A-1 Preferred Stock and the Series B Preferred Stock, the "***Voting Preferred Stock***")) created by Section VI and to fix from time to time before issuance thereof, by filing a certificate of designations pursuant to the DGCL, the number of shares in each such series and all designations, relative rights (including the right, to the extent permitted by law, to convert into shares of any class or into shares of any series of any class), preferences, qualifications, limitations and restrictions of the shares in each such series (provided that (i) such rights, preferences, qualifications, limitations and restrictions are not inconsistent with the rights, preferences and limitations of the outstanding Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock and (ii) the issuance of such Preferred Stock has been approved by the holders of a majority of the then outstanding Voting Preferred Stock if required under Section II(c)).

Subject to the foregoing, the rights, preferences, voting powers, qualifications, limitations, restrictions and special or relative rights or privileges of the Common Stock, the Series A-1 Preferred Stock, the Series A-2 Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock are as set forth below. Unless otherwise stated, all references in this Article Fourth to Sections shall be references to such Sections contained in this Article Fourth.

I. Rights on Liquidation, Dissolution or Winding Up.

(a) In the event of any liquidation, dissolution or winding up of the Corporation (a "***Liquidation Event***"), distributions out of the assets of the Corporation available therefor shall be made to the stockholders of the Corporation in the following manner:

(i) The holders of the Series C Preferred Stock then outstanding shall be entitled to receive, before any payment shall be made to the holders of the Series B Preferred

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Stock, the Series A-1 Preferred Stock, the Series A-2 Preferred Stock and the Common Stock, an amount with respect to each share of Series C Preferred Stock held equal to: (A) the Original Issuance Price (as defined in Section VI(a)) of a share of Series C Preferred Stock plus (B) any declared but unpaid dividends on such share.

(ii) After the holders of the Series C Preferred Stock have been paid in full the preferential amounts to which they shall be entitled under Section I(a)(i), the holders of the Series B Preferred Stock then outstanding shall be entitled to receive, before any payment shall be made to the holders of the Series A-1 Preferred Stock, the Series A-2 Preferred Stock and the Common Stock, an amount with respect to each share of Series B Preferred Stock held equal to: (A) the Original Issuance Price (as defined in Section VI(b)) of a share of Series B Preferred Stock plus (B) any declared but unpaid dividends on such share.

(iii) After the holders of the Series C Preferred Stock and Series B Preferred Stock have been paid in full the preferential amounts to which they shall be entitled under Section I(a)(i) and Section I(a)(ii), the holders of the Series A-1 Preferred Stock then outstanding shall be entitled to receive, before any payment shall be made to the holders of the Series A-2 Preferred Stock and the Common Stock, an amount with respect to each share of Series A-1 Preferred Stock held equal to: (A) the Original Issuance Price (as defined in Section VI(c)) of a share of Series A-1 Preferred Stock plus (B) any declared but unpaid dividends on such share.

(iv) After the holders of the Series C Preferred Stock, Series B Preferred Stock and Series A-1 Preferred Stock have been paid in full the preferential amounts to which they shall be entitled under Section I(a)(i), Section I(a)(ii) and Section I(a)(iii), the holders of shares of the Series A-2 Preferred Stock then outstanding shall be entitled to receive, before any payment shall be made to the holders of the shares of Common Stock, an amount with respect to each share of Series A-2 Preferred Stock held equal to the Original Issuance Price (as defined in Section VI(d)) of a share of Series A-2 Preferred Stock.

(v) After the holders of the Series C Preferred Stock, Series B Preferred Stock, Series A-1 Preferred Stock and Series A-2 Preferred Stock shall have been paid the full preferential amounts to which they shall be entitled under Section I(a)(i), Section I(a)(ii), Section I(a)(iii) and Section I(a)(iv), the remaining assets of the Corporation available for distribution to the stockholders of the Corporation shall be distributed ratably to the holders of the Voting Preferred Stock and Common Stock in accordance with the respective number of shares of Common

Stock owned by each. For purposes of this joint distribution of assets, each holder of shares of Voting Preferred Stock shall be regarded as owning that number of shares of Common Stock into which the shares of Voting Preferred Stock held by such holder would then be convertible pursuant to Section III.

(vi) If the assets of the Corporation available for distribution to the holders of shares of the Series C Preferred Stock under Section I(a)(i) shall be insufficient to permit the payment to all such holders the full preferential amounts to which they are entitled under Section I(a)(i), the holders of the Series C Preferred Stock shall share ratably in any distributions of assets in accordance with the relative respective amounts that would be payable in respect of the shares of Series C Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. If the assets of the Corporation available for

distribution to the holders of shares of the Series B Preferred Stock under Section I(a)(ii) shall be insufficient, after payment in full to the holders of Series C Preferred Stock of the full amounts to which they are entitled under Section I(a)(i), to permit the payment to all such holders the full preferential amounts to which they are entitled under Section I(a)(ii), the holders of the Series B Preferred Stock shall share ratably in any distributions of assets in accordance with the relative respective amounts that would be payable in respect of the shares of Series B Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. If the assets of the Corporation available for distribution to the holders of shares of the Series A-1 Preferred Stock under Section I(a)(iii) shall be insufficient, after payment in full to the holders of Series C Preferred Stock and Series B Preferred Stock of the full preferential amounts to which they are entitled under Section I(a)(i) and Section I(a)(ii), to permit the payment to all such holders the full preferential amounts to which they are entitled under Section I(a)(iii), the holders of the Series A-1 Preferred Stock shall share ratably in any distributions of assets in accordance with the relative respective amounts that would be payable in respect of the shares of Series A-1 Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. If the assets of the Corporation available for distribution to the holders of shares of the Series A-2 Preferred Stock under Section I(a)(iv) shall be insufficient, after payment in full to the holders of Series C Preferred Stock, Series B Preferred Stock and Series A-1 Preferred Stock of the full preferential amounts to which they are entitled under Section I(a)(i), Section I(a)(ii) and Section I(a)(iii), to permit the payment to all such holders the full preferential amounts to which they are entitled under Section I(a)(iv), the holders of the Series A-2 Preferred Stock shall share ratably in any distributions of assets in accordance with the relative respective amounts that would be payable in respect of the shares of Series A-2 Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) The per share liquidation preferences to be paid to the holders of any series of Preferred Stock hereunder shall be proportionately adjusted to reflect any stock splits, stock combinations, stock subdivisions, recapitalizations, stock dividends or other like events with respect to such series of Preferred Stock (collectively, a "***Recapitalization Event***").

(c) (i) For purposes of this Section I, unless otherwise determined by the holders of at least a majority of the outstanding shares of the Series C Preferred Stock, the holders of at least a majority of the outstanding shares of the Series B Preferred Stock, the holders of at least a majority of the outstanding shares of the Series A-1 Preferred Stock and the holders of at least a majority of the outstanding shares of the Series A-2 Preferred Stock, each voting as a separate class, a Liquidation Event shall be deemed to occur upon the occurrence of any transaction or series of related transactions: (1) involving the merger, consolidation or acquisition (in one transaction or a series of related transactions) of the Corporation, or a subsidiary of the Corporation, into or with another entity (other than a transaction or series of related transactions (i)in which the holders of the voting securities of the Corporation outstanding immediately prior to such transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of securities in the Corporation held by such holders prior to such transaction, more than 50% of the total voting power represented by the voting securities of the Corporation or such surviving entity outstanding immediately after such transaction or series of transactions,

determined on an as-if-converted basis or (ii) to which the Corporation is not a party), or (2) that constitute the sale, lease, transfer, exchange, exclusive license or other conveyance of all or substantially all of the assets of the Corporation (each such transaction, a "***Deemed Liquidation Event***").

(ii) If the Corporation effects any transaction that constitutes a Deemed Liquidation Event and the provisions of Section I(c)(i) are not waived as set forth therein, the holders of Preferred Stock shall have the right to receive (and proper provision shall be made, including by the successor or acquiring entity in such transaction, so that the holders of Preferred Stock shall receive) out of the proceeds of such transaction (including any stock, securities, cash or other property to be received by the Corporation or its stockholders in such transaction) their respective liquidation preferences in the same manner as set forth in Section I(a) above. Without limitation of the foregoing, the Corporation shall not have the power to effect a Deemed Liquidation Event referred to in clause (1) of Section I(c)(i) unless the agreement or plan of merger or consolidation for such transaction provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Section I(a).

(iii) If the Corporation effects any transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property and such transaction does not constitute a Deemed Liquidation Event pursuant to this Section I(c) or if the provisions of Section I(c)(i) are waived as set forth therein, then in any such case the Preferred Stock will continue to be outstanding on the same terms and conditions as set forth herein, except that if the Corporation does not exist after such event, the successor corporation or ultimate parent thereof, if applicable, will, as a condition to the effectiveness of such transaction, be required to issue to the holders of each series of Preferred Stock securities with the same rights, preferences and privileges as such series of Preferred Stock.

(iv) The Corporation shall give each holder of record of Preferred Stock written notice of an impending transaction described in Section I(c)(iii) above not later than 15 days prior to the stockholders' meeting called to approve such transaction, or 15 days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction by the stockholders. The first of such notices shall describe the material terms and conditions of such impending transaction and the provisions of this Section I, and the Corporation shall thereafter give such holders notice of any material changes promptly after such material changes are made. Such impending transaction shall in no event take place sooner than 30 days after the Corporation has given the first notice provided for herein or sooner than 10 days after the Corporation has given notice of any material changes provided for herein.

(v) If the consideration received by the Corporation or any holders of its equity securities in connection with a Deemed Liquidation Event is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a national securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the 30 day period ending three days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the 30 day period ending three days prior to the closing; and

(3) If there is no public trading market for such securities, by the Board of Directors of the Corporation in the good faith exercise of their reasonable business judgment; provided that, if the holders of at least a majority of the outstanding Voting Preferred Stock (voting on an as-converted basis) object to such valuation, then the value shall be the fair market value thereof, as mutually determined by the Corporation and the holders of not less than a majority of the outstanding shares of Voting Preferred Stock; and, provided further, that, if the Board of Directors of the Corporation and the holders of at least a majority of the outstanding shares of Voting Preferred Stock are unable to reach an agreement, then by independent appraisal by an investment bank hired and paid by the Corporation, but reasonably acceptable to the holders of at least a majority of the outstanding shares of Voting Preferred Stock, voting together as a single class.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the fair market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as mutually determined by the Corporation and the holders of not less than a majority of the outstanding shares of Voting Preferred Stock, voting together as a single class; and, provided further, that, if the Corporation and the holders of at least a majority of the outstanding shares of Voting Preferred Stock are unable to reach an agreement, then by independent appraisal by an investment bank hired and paid by the Corporation, but reasonably acceptable to the holders of at least a majority of the outstanding shares of Voting Preferred Stock, voting together as a single class.

(d) In the event (i) the Corporation enters into an agreement whereby (A) the Corporation grants any corporation or other entity or person (a "***Prospective Acquiror***") an option or other right to consummate a Deemed Liquidation Event with respect to the Corporation, or (B) the Corporation enters into any agreement whereby the Corporation has the option or other right to require a Prospective Acquiror to consummate a Deemed Liquidation Event with respect to the Corporation, and (ii) the Board of Directors of the Corporation determines to distribute to the Corporation's stockholders any initial consideration paid by the Prospective Acquiror to the Corporation with respect to such option or right (the "***Upfront Stockholder Consideration***"), any Upfront Stockholder Consideration shall be distributed as proceeds from a Deemed Liquidation Event under this Section I.

(e) In the event of a Deemed Liquidation Event, if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to the achievement of future milestones or similar

contingencies, the definitive agreement for such transaction shall provide that (i) the portion of such consideration that is not placed into escrow and not subject to the achievement of future milestones or similar contingencies (the "***Initial Consideration***") shall be allocated among the holders of capital stock of the Corporation in accordance with Section I(a) as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (ii) any additional consideration that becomes payable to the stockholders of the Corporation upon release from escrow or the achievement of milestones or similar contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Section I(a) after taking into account all previous payments of consideration as part of the same transaction

(f) In the event of a Deemed Liquidation Event referred to in Section I(c)(2), if the Corporation does not effect a dissolution of the Corporation under the DGCL within 90 days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Deemed Liquidation Event advising such holder of such holder's right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (iii) if the holders of at least a majority of the then outstanding shares of Voting Preferred Stock (voting on an as-converted basis) so request in a written instrument delivered to the Corporation not later than 120 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders (the "***Available Proceeds***"), to the extent legally available therefor, on the 150th day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the amounts that would have been payable pursuant to Section I(a). Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall first redeem a portion of shares of Preferred Stock in accordance with the liquidation preferences set forth in Section I(a) and to the fullest extent of such Available Proceeds, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Prior to the distribution or redemption provided for in this Section I(f), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

(g) In the event that the Corporation determines to distribute the proceeds (cash or otherwise) resulting from any sale or other transfer of a significant portion of its securities or sale, license and/or other transfer of a significant portion of its assets (which would not constitute an event specified in the definition of Deemed Liquidation Event), the proceeds resulting therefrom (including in respect of any ongoing payments, such as a royalty or milestone payment) shall be distributed in accordance with Section I(a) (and not as a dividend).

II. Voting.

(a) The holders of the Voting Preferred Stock and the Common Stock shall be entitled to notice of all stockholders' meetings and to vote or to act by written consent of stockholders. The holders of the Series A-2 Preferred Stock shall be entitled to notice of all stockholders' meetings at which a vote will be taken with respect to matters regarding which the vote of such holders is required to be obtained pursuant to applicable law and, in that event, such holders shall be entitled to vote or to act by written consent of stockholders with respect to such matters.

(b) Except as otherwise required by law, by this Second Amended and Restated Certificate of Incorporation, as amended (this "***Certificate of Incorporation***") or in a certificate of designations filed pursuant to the DGCL, the holders of the Voting Preferred Stock and the holders of the Common Stock shall vote as a single class upon all matters submitted to the stockholders for a vote on the basis that each holder of Voting Preferred Stock shall have that number of votes per share of Voting Preferred Stock as is equal to the number of shares of Common Stock into which each respective share of Voting Preferred Stock held by such holder could be converted on the date for determination of stockholders entitled to vote at the meeting or on the effective date of the written consent. The holders of the Common Stock shall be entitled to one vote for each share of Common Stock registered in the name of such holder. Except as otherwise required by law, the holders of Series A-2 Preferred Stock shall not be entitled to any vote with respect to a share of Series A-2 Preferred Stock. With respect to all questions as to which, under this Certificate of Incorporation, holders of the Voting Preferred Stock are required to vote, the holders of the Voting Preferred Stock shall vote together as a single class on the basis that each holder of Voting Preferred Stock shall have the number of votes per share of Voting Preferred Stock as is equal to the number of shares of Common Stock into which each respective share of Voting Preferred Stock held by such holder could be converted on the date for determination of stockholders entitled to vote at the meeting or the effective date of the written consent. With respect to all questions as to which, under law, holders of the Series A-2 Preferred Stock are required to vote together with the holders of Voting Preferred Stock by class, the holders of the Voting Preferred Stock and the Series A-2 Preferred Stock shall vote together as a single class separately from the holders of the Common Stock on the basis that each holder of Preferred Stock shall have the number of votes per share of Preferred Stock as is equal to the number of shares of Common Stock into which each respective share of Preferred Stock held by such holder could be converted on the date for determination of stockholders entitled to vote at the meeting or the effective date of the written consent.

(c) As long as any shares of Voting Preferred Stock are outstanding, neither the Corporation nor any subsidiary of the Corporation, shall (directly or indirectly, by amendment, merger, reorganization, consolidation or otherwise), take any of the following actions without first obtaining the approval (by vote or written consent, in the manner provided by the DGCL) of the holders of at least a majority of the then outstanding shares of Voting Preferred Stock (voting on an as-converted basis):

(i) effect any transaction that would constitute a Deemed Liquidation Event;

(ii) purchase or redeem, make any payment on account of the repurchase, redemption or retirement of any shares of its capital stock or debt securities, or declare or make any dividend on any shares of its capital stock, except for repurchases of shares of capital stock from former employees or consultants of the Corporation in connection with the cessation of their employment or services, as applicable, at a price not greater than their then fair market value;

(iii) amend, alter or repeal any provision of this Certificate of Incorporation or the by-laws of the Corporation;

(iv) create or authorize the creation of, or issue, any security convertible into or exercisable for any equity security having voting, liquidation, participation, dividend or redemption rights, or other rights, privileges or preferences, senior to or on parity with any series of the Preferred Stock;

(v) increase or decrease the number of authorized shares of Preferred Stock or any series of Preferred Stock authorized in this Certificate of Incorporation;

(vi) voluntarily dissolve, liquidate or wind up or carry out any partial liquidation, distribution or transaction in the nature of a partial liquidation or distribution;

(vii) increase or decrease the size of the Board of Directors;

(viii) borrow money or issue evidences of indebtedness other than (A) under equipment leases, the Corporation's obligations under which shall not, individually or in the aggregate, exceed $100,000 or (B) indebtedness that shall be approved by the Board of Directors of the Corporation;

(ix) sell or license any of the Corporation's intellectual property, other than sales or licenses in the ordinary course of the Corporation's business; or

(x) acquire control of another entity, other than the formation of a wholly owned subsidiary of the Corporation in the ordinary course of business.

(d) As long as any shares of Series C Preferred Stock are outstanding, the Corporation shall not (directly or indirectly, by amendment, merger, reorganization, consolidation or otherwise): (i) amend, alter or repeal any provision of this Certificate of Incorporation with respect to the Series C Preferred Stock or (ii) except as contemplated by the Purchase Agreement (as

defined in Section III (d)), issue any shares of Series C Preferred Stock or any securities convertible into or exercisable for any such shares, in each case without first obtaining the approval (by vote or written consent, in the manner provided by the DGCL) of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock, which majority shall include at least three of the Major Series C Holders (which number of Major Series C Holders shall be proportionately reduced to reflect the same "supermajority" requirement if any of the investors identified as a Major Series C Holder no longer remains as such) (the "***Requisite Series C Holders***"). As used herein, a "***Major Series C Holder***" means each of IGC Fund VI, L.P., ProQuest Investments IV, L.P., Aisling Capital III, LP and Care

Capital Investment III LP, as long as such investor continues to own any shares of Series C Preferred Stock.

(e) The holders of at least a majority of the outstanding shares of Series C Preferred Stock shall be entitled to elect one director of the Corporation at any election of directors. The holders of at least a majority of the outstanding shares of Series B Preferred Stock shall be entitled to elect three directors of the Corporation at any election of directors. The holders of at least a majority of the outstanding shares of Voting Preferred Stock and Common Stock (voting together as a single class and not as separate series, and on an as-converted basis) shall be entitled to elect any remaining directors of the Corporation.

III. Conversion into Common Stock. The holders of the Preferred Stock shall have conversion rights as follows (the "***Conversion Rights***"):

(a) Subject to Section III(d)(ii), each share of Series C Preferred Stock shall be convertible at any time, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at the office of the Corporation or any transfer agent for the Series C Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Conversion Value per share (as set forth in Section VI) by the Conversion Price per share (as set forth in Section VI) in effect at the time of conversion. The initial Conversion Price with respect to such series of Preferred Stock shall be subject to adjustment as hereinafter provided.

(b) Each share of Series B Preferred Stock shall be convertible at any time, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at the office of the Corporation or any transfer agent for the Series B Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Conversion Value per share (as set forth in Section VI) by the Conversion Price per share (as set forth in Section VI) in effect at the time of conversion. The initial Conversion Price with respect to such series of Preferred Stock shall be subject to adjustment as hereinafter provided.

(c) Each share of Series A-1 Preferred Stock shall be convertible at any time, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at the office of the Corporation or any transfer agent for the Series A-1 Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Conversion Value per share (as set forth in Section VI) by the Conversion Price per share (as set forth in Section VI) in effect at the time of conversion. The initial Conversion Price with respect to such series of Preferred Stock shall be subject to adjustment as hereinafter provided.

(d) (i) Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price upon: (A) the closing of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, or any comparable statute then in force, covering the offer and sale of Common Stock for the account of the Corporation to the public (a "***Public Offering***") for a price per share equal to at least $30.00 (as adjusted for Recapitalization Events) and from which the Corporation

receives gross proceeds of at least $80,000,000 (a "***Qualified Public Offering***"); or (B) the affirmative vote of the holders of at least a majority of the outstanding Voting Preferred Stock, after first giving effect, if in connection with a Public Offering which is not a Qualified Public Offering, to any adjustment of the Conversion Price for each series of Preferred Stock to which it would otherwise be entitled by virtue of such Public Offering; provided, that in no event shall the Series C Preferred Stock be subject to such conversion unless the Requisite Series C Holders are part of such majority vote. In addition, (i) each share of Series A-1 Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price upon the affirmative vote of the holders of at least a majority of the outstanding Series A-1 Preferred Stock, (ii) each share of Series B Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price upon the affirmative vote of the holders of at least a majority of the outstanding Series B Preferred Stock, and (iii) each share of Series C Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price upon the affirmative vote of the Requisite Series C Holders.

(ii) In the event that:

(A) the Corporation delivers to each holder of Series C Preferred Stock which is a party to the Series C Preferred Stock Purchase Agreement dated as of July 18, 2012 among the Corporation and the purchasers listed therein (the "***Purchase Agreement***") a "Second Closing Notice" with respect to a Second Closing to be consummated pursuant to in accordance with all of the requirements of the Purchase Agreement; and

(B) the Corporation does not receive from any such holder (either alone or together with such holder's Affiliated Group of Holders (as defined below)) which are accredited investors, as defined in Regulation D under the Securities Act, on or prior to such Second Closing the full amount of such holder's required investment amount as set forth in such Second Closing Notice;

then, notwithstanding any other provision of this Certificate of Incorporation, each share of the then outstanding Series C Preferred Stock held by such holder and the other members of such holder's Affiliated Group of Holders as of the delivery of the Second Closing Notice shall, automatically and without any action on the part of the holder thereof, be converted into shares of Common Stock at a ratio of one share of Common Stock for every ten shares of Series C Preferred Stock (as adjusted for any Recapitalization Events), effective as of the completion of such Second Closing, and all rights of such holder(s) of such shares as a holder of Series C Preferred Stock shall immediately upon such Second Closing cease and terminate with respect to the shares so converted (including without limitation any rights to declared but unpaid dividends or by reason of antidilution adjustments made prior to the Second Closing, which shall be forfeited immediately upon the Second Closing). Notwithstanding anything to the contrary in Section III(a), no holder of Series C Preferred Stock shall be entitled to convert its shares of Series C Preferred Stock into Common Stock between the date that a Second Closing Notice is delivered to such holder and the date that the Second Closing is held.

As used herein, "***Affiliated Group of Holders***" means a holder of Series C Preferred Stock, together with each of its affiliates, with "affiliates," for purposes of this sentence, having the same meaning as set forth in Rule 405 of the Securities and Exchange Commission under the

Securities Act and, in the case of a venture capital fund shall include any other funds under common management with such fund.

(iii) In the event that any holder of Series C Preferred Stock (either alone or together with such holder's Affiliated Group of Holders) fails to purchase from the Corporation such holder's pro rata share (based on the number of shares of Preferred Stock owned by such holder relative to the number of shares of Preferred Stock outstanding) of any Applicable Financing Securities (as defined below) issued and sold in an Applicable Financing (as defined below) (such holder and each member of such holder's Affiliated Group of Holders being referred to herein as a "***Nonparticipating Series C Holder***") then, notwithstanding any other provision of this Certificate of Incorporation, each share of the then outstanding Preferred Stock held by each Nonparticipating Series C Holder as of the initial closing of the Applicable Financing (as defined below) shall, automatically and without any action on the part of such Nonparticipating Holder, be converted into shares of Common Stock at a ratio of one share of Common Stock for every one share of Preferred Stock (as adjusted for any Recapitalization Events), effective as of the initial closing of such Applicable Financing, and all rights of each Nonparticipating Series C Holder as a holder of Preferred Stock shall immediately upon such initial closing cease and terminate with respect to the shares so converted (including without limitation any rights to declared but unpaid dividends or by reason of antidilution adjustments made prior to such Applicable Financing, which shall be forfeited immediately upon the initial closing thereof). The provisions of this Section 3(d)(iii) may be waived by the holders of at least a majority of the then outstanding Voting Preferred Stock, voting as a separate class. As used herein, "***Applicable Financing Securities***" means any shares of capital stock of the Corporation or any debt securities of the Corporation convertible into or exchangeable for shares of capital stock of the Corporation and "***Applicable Financing***" means a financing of the Corporation consummated at any time after July 18, 2012 in which new cash is raised from investors through the issuance and sale of Applicable Financing Securities, whether or not such investors are then holders of any debt or equity securities of the Corporation, except for (i) the consummation of the Second Closing under the Purchase Agreement; (ii) any financing involving the issuance and sale of shares of capital stock at an effective per-share price that is greater than the Original Issuance Price for a share of Series C Preferred Stock (as adjusted for Recapitalization Events) and (iii) any financing involving the issuance and sale of debt securities that are, as of the date of issuance, convertible into or exchangeable for a predetermined class or series of shares of capital stock of the Corporation at a fixed per-share conversion or exchange price (as opposed to, for example, being convertible into or exchangeable for securities that are to be authorized and at a price to be fixed in connection with a future financing) that is greater than the Original Issuance Price for a share of Series C Preferred Stock (as adjusted for Recapitalization Events).

(e) No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then effective applicable Conversion Price.

(f) Upon the occurrence of an event specified in Section III(d), the Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its

transfer agent for the Preferred Stock; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of the Preferred Stock being converted are either delivered to the Corporation or its transfer agent, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen, or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith and, if the Corporation so elects, provides an appropriate indemnity bond. Upon the automatic conversion of the Preferred Stock pursuant to Section III(d), the holders of such Preferred Stock shall surrender the certificates representing such shares at the office of the Corporation or of its transfer agent. Thereupon, there shall be issued and delivered to such holder, promptly at such office and in his name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of the Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred. From and after the date of the event that causes the automatic conversion, all rights of the holder with respect to the Preferred Stock so converted shall terminate, except only the right of such holder, upon the surrender of such holder's certificate or certificates therefor, to receive certificates for the number of shares of Common Stock issuable upon conversion thereof.

(g) Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock (except as provided in Section III(d)), such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of its transfer agent for the Preferred Stock and shall give written notice to the Corporation at such office that the holder elects to convert the same and shall state therein the holder's name or the name or names of the holder's nominee in which the holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the holder's nominee, a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid, together with cash in lieu of any fraction of a share. Except as set forth in Section III(d)(ii), such conversion shall be deemed to have been made on the date of such surrender of the shares of Preferred Stock to be converted and notice as herein provided, and the person or persons entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date or, if such date is a weekend or legal holiday, the next succeeding business day. From and after such date, all rights of the holder with respect to the Preferred Stock so converted shall terminate.

(h) (i) For purposes of this Section III(h), the following definitions shall apply:

(1) "***Option***" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities.

(2) "***Convertible Securities***" shall mean any evidences of indebtedness or shares (other than Common Stock or Preferred Stock) directly or indirectly convertible into or exchangeable for Common Stock.

(3) "***Additional Shares of Common Stock***" shall mean all shares of Common Stock issued by the Corporation after July 18, 2012, other than:

(A) shares of Common Stock issued or issuable upon conversion of shares of Series C Preferred Stock, Series B Preferred Stock, Series A-1 Preferred Stock or Series A-2 Preferred Stock or as a dividend, stock split or other distribution thereon;

(B) options to purchase Common Stock or restricted stock that may be issued pursuant to the Corporation's Amended and Restated 2008 Equity Incentive Plan or any other equity securities issued under any other equity incentive plan, stock purchase plan or other compensation arrangement, stock bonus or stock grant arrangement approved by the Board of Directors;

(C) equity securities of the Corporation issued in consideration of an acquisition (by merger, consolidation or otherwise), license agreement, lease line of credit, other debt financing with a bank or recognized lending institution, joint venture or strategic alliance approved by the Board of Directors of the Corporation;

(D) shares of Common Stock issued or issuable in Public Offerings;

(E) shares of Series C Preferred Stock issued or issuable pursuant to the Purchase Agreement;

(F) (i) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options (ii) or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security including, without limitation pursuant to (A) the exercise of warrants exercisable for Series A-1 Preferred Stock and Series A-2 Preferred Stock issued by the Corporation on December 30, 2009, as amended from time to time, and any replacements thereof, (B) the conversion of those certain Convertible Promissory Notes issued by the Corporation to certain stockholders pursuant to a certain Note Purchase Agreement dated as of May 17, 2012 among the Corporation and certain of its stockholders and (C) the exercise of Options previously granted under the Corporation's Amended and Restated 1997 Equity Incentive Plan; and

(G) shares of Series C Preferred Stock or Common Stock (or Options or Convertible Securities therefor) issued or issuable in connection with any "venture debt" incurred by the Corporation at any time on or prior to September 30, 2012.

(ii) (1) In the event that the Corporation at any time or from time to time after July 18, 2012 shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the exercise of such Options and conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common

Stock issued as of the time of such issue of such Options or Convertible Securities or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to Section III(h)(iv)) of such Additional Shares of Common Stock would be less than the Conversion Price with respect to the Voting Preferred Stock in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) no further adjustment in the Conversion Price shall be made upon the subsequent issue of Options or Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or increase or decrease in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects the rights of exercise under such Options or the rights of conversion or exchange under such Convertible Securities;

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities that shall not have been exercised, the Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(i) in the case of Options or Convertible Securities, the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received

by the Corporation for the issue of all such Options, plus the consideration actually received by the Corporation upon such exercise, or the consideration actually received by the Corporation for the issue of all such Convertible Securities that were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(ii) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section III(h)(iv)) upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(D) no readjustment pursuant to clause (B) or (C) above shall have the effect of increasing the Conversion Price to an amount that exceeds the lower of (i) such Conversion Price on the original adjustment date, or (ii) the Conversion Price that would have resulted from any actual issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(E) in the case of any Options that expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in clause (C) above; and

(F) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price that became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Section III(h)(ii) as of the actual date of their issuance.

(2) In the event the Corporation at any time or from time to time after July 18, 2012 shall declare or pay any dividend or make any other distribution on the Common Stock payable in Common Stock or effect a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise other than by payment of a dividend in Common Stock), then and in any such event, Additional Shares of Common Stock shall be deemed to have been issued:

(A) in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend or distribution, or

(B) in the case of any such subdivision, when such corporate action becomes effective.

If such record date shall have been fixed and no part of such dividend or distribution shall have been paid or made on the date fixed therefor, the adjustment previously made in the Conversion Price that became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Section III(h)(ii) as of the time of actual payment of such dividend or making of such distribution.

(iii) In the event the Corporation shall issue Additional Shares of Common Stock (including, without limitation, Additional Shares of Common Stock deemed to be issued pursuant to Section III(h)(ii)), without consideration or for a consideration per share less than the Conversion Price for the Voting Preferred Stock in effect on the date of and immediately prior to such issuance (a "***Dilutive Issuance***"), then and in such event, the Conversion Price for the Voting Preferred Stock (but not the Conversion Price for the Series A-2 Preferred Stock, which shall in no event be adjusted in connection with a Dilutive Issuance) shall be reduced, concurrently with such Dilutive Issuance, to a price (calculated to the nearest tenth of a cent) determined by multiplying such Conversion Price for the Voting Preferred Stock by a fraction,

the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Dilutive Issuance plus the number of shares of Common Stock which the aggregate consideration received or deemed to have been received by the Corporation for the total number of Additional Shares of Common Stock so issued or deemed to be issued would purchase at such Conversion Price and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such Dilutive Issuance plus the number of such Additional Shares of Common Stock so issued or deemed to be issued. For the purpose of this Section III(h)(iii), all shares of Common Stock issuable upon conversion of shares of Preferred Stock outstanding immediately prior to a Dilutive Issuance and the exercise and/or conversion of any other outstanding Convertible Securities (excluding convertible debt with no fixed conversion price) and all outstanding Options shall be deemed to be outstanding.

(iv) For purposes of this Section III(h), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(1) Such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amounts of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(C) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration that covers both, be the proportion of such consideration so received, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors of the Corporation.

(2) The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section III(h)(ii)(1), relating to Options and Convertible Securities, shall be determined by dividing (A) the total amount, if any, received or receivable by the Corporation as consideration for the issuance of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by (B) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(v) (1) In the event the Corporation shall issue Additional Shares of Common Stock pursuant to Section III(h)(ii)(2) in a stock dividend, stock distribution or subdivision, such Additional Shares of Common Stock shall be deemed to have been issued for no consideration.

(2) In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the applicable Conversion Price with respect to each series of Preferred Stock in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(vi) No adjustment in the number of shares of Common Stock into which the Preferred Stock is convertible shall be made, by adjustment in the Conversion Price in respect of the issuance of Additional Shares of Common Stock, unless the consideration per share for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Conversion Price in effect on the date of, and immediately prior to, the issuance of such Additional Share.

(vii) If at any time or from time to time there shall be a recapitalization of the Common Stock (but not the Preferred Stock) (other than a transaction provided for elsewhere in this Section III or in Section I), provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section III with respect to the rights of the holders of the Preferred Stock after the recapitalization to the

end that the provisions of this Section III (including adjustment of the Conversion Price of each series of Preferred Stock then in effect and the number of shares purchasable upon conversion of each series of Preferred Stock) shall be applicable after that event as nearly equivalent as shall be reasonably practicable.

(viii) The provisions of this Section III(h) may be waived as to the Series A-1 Preferred Stock upon the vote or written consent of the holders of a majority of the voting power of such Series A-1 Preferred Stock; the provisions of this Section III(h) may be waived as to the Series B Preferred Stock upon the vote or written consent of the holders of a majority of the voting power of such Series B Preferred Stock; and the provisions of this Section III(h) may be waived as to the Series C Preferred Stock by the Requisite Series C Holders.

(i) Except for an amendment approved in accordance with Section II, the Corporation shall not, by amendment of this Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but shall at all times in good faith assist in the carrying out of all the provisions of this Section III and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Stock set forth herein against impairment.

(j) Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section III, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the affected series of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of each share of Preferred Stock.

(k) In the event of any taking by the Corporation of a record of the holders of any class or series of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend that is the same as cash dividends paid in previous quarters) or other distribution, the Corporation shall mail to each holder of each series of Preferred Stock that is convertible into Common Stock, at least 10 days prior to such record date, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(l) The Corporation shall reserve and keep available out of its authorized but unissued Common Stock such number of shares of Common Stock as shall from time to time be sufficient to effect conversion of the Preferred Stock.

(m) The Corporation shall pay any issue or transfer taxes payable in connection with the conversion of the Preferred Stock into Common Stock, provided, however, that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer to a name other than that of the holder of the Preferred Stock, and no issuance or delivery need be made unless the Corporation has been paid the amount of such tax or it has been established to the Corporation's satisfaction that the tax has been paid.

IV. Dividends.

(a) Except as otherwise provided in this Section IV or in a certificate of designations filed pursuant to the DGCL with respect to any series of Preferred Stock, the holders of shares of Preferred Stock shall not be entitled to receive dividends.

(b) The holders of shares of the Voting Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the Corporation) on the Common Stock, at the applicable Dividend Rate (as defined below), payable when, as and if declared by the Board of Directors. Such dividends shall not be cumulative. "Dividend Rate" shall mean $.80 per annum for each share of Series B Preferred Stock and Series A-1 Preferred Stock and shall mean $1.20 per annum for each share of Series C Preferred Stock (as adjusted for any Recapitalization Event). All dividend payments pursuant to this Section IV(b) shall be made to the holders of Voting Preferred Stock pro rata.

No dividends shall accrue or be payable with respect to the shares of the Series A-2 Preferred Stock.

(c) When and as dividends are declared payable in cash or property, other than shares of the Corporation's capital stock, with respect to shares of Common Stock, the Corporation shall declare at the same time and pay to each holder of shares of Voting Preferred Stock a dividend equal to the dividend that would have been payable to such holder if the shares of Voting Preferred Stock held by such holder had been converted into Common Stock on the record date for the determination of holders of Common Stock entitled to receive such dividend.

(d) No distributions shall be declared or paid on any Common Stock of the Corporation during any fiscal year of the Corporation until dividends in the amounts set forth in Sections IV(b) and (c) have been paid to, or declared and set apart upon, all outstanding shares of Voting Preferred Stock during that fiscal year.

(e) Except as otherwise set forth in Section I(g), in the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Section III(h)(ii), in each case as permitted hereunder, and such distribution does not constitute a Liquidation Event or a Deemed Liquidation Event as set forth in Section I, then, in each such case for the purpose of this Section IV, the holders of the Voting Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock into which their shares of Voting Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock entitled to receive such distribution.

V. Redemption. The Preferred Stock shall not be redeemable.

VI. Designation of Series C Preferred Stock, Series B Preferred Stock, Series A-1 Preferred Stock and Series A-2 Preferred Stock.

(a) There is hereby created a series of 2,711,734 shares of Preferred Stock designated "Series C Convertible Preferred Stock," having a Conversion Value of $15.00 per share, an initial Conversion Price of $15.00 per share and the other preferences, voting powers, qualifications, limitations, restrictions and special or relative rights or privileges set forth in this Certificate of Incorporation. The "***Original Issuance Price***" for each share of Series C Preferred Stock shall mean $15.00 per share of Series C Preferred Stock.

(b) There is hereby created a series of 4,501,066 shares of Preferred Stock designated "Series B Convertible Preferred Stock," having a Conversion Value of $10.00 per share, an initial Conversion Price of $10.00 per share and the other preferences, voting powers, qualifications, limitations, restrictions and special or relative rights or privileges set forth in this Certificate of Incorporation. The "***Original Issuance Price***" for each share of Series B Preferred Stock shall mean $10.00 per share of Series B Preferred Stock.

(c) There is hereby created a series of 284,743 shares of Preferred Stock designated "Series A-1 Convertible Preferred Stock," having a Conversion Value of $10.00 per share, an

initial Conversion Price of $10.00 per share and the other preferences, voting powers, qualifications, limitations, restrictions and special or relative rights or privileges set forth in this Certificate of Incorporation. The "***Original Issuance Price***" for each share of Series A-1 Preferred Stock shall mean $10.00 per share of Series A-1 Preferred Stock.

(d) There is hereby created a series of 99,178 shares of Preferred Stock designated "Series A-2 Convertible Preferred Stock," having a Conversion Value of $10.00 per share, an initial Conversion Price of $10.00 per share and the other preferences, voting powers, qualifications, limitations, restrictions and special or relative rights or privileges set forth in this Certificate of Incorporation. The "***Original Issuance Price***" for each share of Series A-2 Preferred Stock shall mean $10.00 per share of Series A-2 Preferred Stock.

FIFTH — The name and mailing address of the incorporator is Kathleen M. Shay, 4200 One Liberty Place, Philadelphia, PA 19103-7396.

SIXTH — The Corporation shall have perpetual existence.

SEVENTH — No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, to the extent required by Section 102(b)(7) or any successor provision of the DGCL, this Article Seventh shall not eliminate or limit the liability of a director, to the extent such liability is

provided by applicable laws, (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to further eliminate or limit the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

In the event that a director of the Corporation who is also a partner or employee of an entity that is a holder of Preferred Stock and that is in the business of investing and reinvesting in other entities, or an employee of an entity that manages such an entity (each, a "***Fund***"), acquires knowledge of a potential transaction or matter in such person's capacity as a partner or employee of the Fund or the manager or general partner of the Fund and that may be a corporate opportunity for both the Corporation and such Fund (a "***Corporate Opportunity***"), then (i) such Corporate Opportunity shall belong to such Fund, (ii) such director shall, to the fullest extent permitted by law, have fully satisfied and fulfilled his fiduciary duty to the Corporation and its stockholders with respect to such Corporate Opportunity, and (iii) the Corporation, to the fullest extent permitted by law, waives any claim that such Corporate Opportunity constituted a corporate opportunity that should have been presented to the Corporation or any of its affiliates; provided, however, that such director acts in good faith and such opportunity was not offered to such person in his or her capacity as a director of the Corporation; and provided, further, that nothing herein or otherwise shall limit the Corporation's right to pursue or consummate any transaction related to any Corporate Opportunity even if originated by any director or any Fund.

Any amendment, repeal or modification of the foregoing provisions of this Article Seventh by the stockholders of the Corporation shall not adversely affect any right or protection

of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

EIGHTH — The directors of the Corporation shall have the power to make and to alter or amend the By-Laws of the Corporation; to fix the amount to be reserved as working capital; and, subject to the rights of the holders of Preferred Stock, if any, to approve them, to authorize and cause to be executed mortgages and liens, without limit as to the amount, upon the property and franchise of the Corporation.

The By-Laws of the Corporation shall determine whether and to what extent the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders. No stockholder shall have any right of inspecting any account, or book, or document of the Corporation, except as conferred by law or the By-Laws of the Corporation, or by resolution of the stockholders.

The stockholders and directors shall have the power to hold meetings and keep the books, documents and papers of the Corporation outside the State of Delaware, at such places as may be from time to time designated by the By-Laws of the Corporation or by resolution of the stockholders or directors, except as otherwise required by the laws of the State of Delaware.

NINTH — The Corporation shall, to the maximum extent permitted from time to time under the law of the State of Delaware, indemnify and upon request shall advance expenses to any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit, proceeding or claim, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was or has agreed to be a director of the Corporation or while a director is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees and expenses), judgments, fines, penalties and amounts paid in settlement incurred in connection with the investigation, preparation to defend or defense of such action, suit, proceeding or claim; provided, however, that the foregoing shall not require the Corporation to indemnify or advance expenses to any person in connection with any action, suit, proceeding, claim or counterclaim initiated by or on behalf of such person. Such indemnification shall not be exclusive of other indemnification rights arising under any by-law, agreement, vote of directors or stockholders or otherwise and shall inure to the benefit of the heirs and legal representatives of such person. Any person seeking indemnification under this Article Ninth shall be deemed to have met the standard of conduct required for such indemnification unless the contrary shall be established.

Any amendment, repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of, or increase the liability of any director or officer of the Corporation with respect to any acts or omissions of such director or officer occurring prior to, such repeal or modification.

TENTH — The election of directors need not be by ballot unless the By-Laws shall so require.

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IN WITNESS WHEREOF, this Second Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Corporation on this 18th day of July, 2012.

AGILE THERAPEUTICS, INC.

By: /s/ Al Altomari
Al Altomari
President and Chief Executive Officer

AMENDED AND RESTATED

BY-LAWS

OF

AGILE THERAPEUTICS, INC.

ARTICLE 1 OFFICES

Section 1.1 The Corporation shall have and maintain in the State of Delaware a registered office which may, but need not be, the same as its place of business.

Section 1.2 The Corporation may also have offices at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE 2 STOCKHOLDERS

Section 2.1 All meetings of the stockholders shall be held at such place, either within or without the State of Delaware, and at such date and time as may be designated by the Board of Directors and as shall be specified in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.2 An annual meeting of the stockholders, for the election of directors and for the transaction of such other business as may properly be brought before the meeting, shall be held at such place, date and time as the Board of Directors may designate and as shall be specified in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.3 Special meetings of the stockholders, for any purpose or purposes, may be called by the Board of Directors or the President and shall be called by the President or the Secretary at the request in writing of a majority of the members of the Board of Directors then in office. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 2.4 Written notice of any annual or special meeting of stockholders shall be mailed to each stockholder entitled to vote thereat at such stockholder's address as it appears on the records of the Corporation, not fewer than ten nor more than sixty days before the date of such meeting. Such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to each stockholder at such stockholder's address as it last appears on the records of the Corporation. Such notice shall state the place, date and hour of the meeting, and, in the case of a special meeting, shall state the purpose or purposes for which the meeting is called.

Section 2.5 At any meeting of the stockholders, the holders of a majority of all of the issued and outstanding shares of stock entitled to vote at the meeting, present in person or by

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proxy, shall constitute a quorum for all purposes, except to the extent that the presence of a larger number of stockholders may be required by law, by the Certificate of Incorporation of the Corporation or by these By-laws. If a quorum shall fail to be present or represented at any meeting, the chairman of the meeting or the holders of a majority of the shares of the stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date or time. When a meeting is so adjourned, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date, and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted that might have been transacted at the original meeting.

Section 2.6 At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or any complete and reliable copy, facsimile telecommunication or other reproduction of the writing executed by such stockholder or by an authorized officer, director, employee or agent of such stockholder, to the extent permitted by law, and submitted to the Secretary at or before such meeting, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Each stockholder shall have one vote for each share of stock entitled to vote that is registered in such stockholder's name on the record date for the meeting, except as otherwise provided herein or required by law. All elections of directors by the stockholders shall be by written ballot and shall be determined by a plurality of the votes cast. All other voting need not be by written ballot, except upon demand therefor by the Board of Directors or the officer of the Corporation presiding at the meeting of stockholders where the vote is to be taken. When a quorum exists at any meeting, the vote of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one for which, by express provision of law or of the Certificate of Incorporation of the Corporation or of these By-laws, a different vote is required.

Section 2.7 At least ten days before every meeting of stockholders, the officer who has charge of the stock ledger of the Corporation shall prepare a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder of the Corporation who is present. The stock ledger of the Corporation shall be the only evidence as to the identities of the stockholders entitled to examine the list of stockholders required by this Section 2.7 or to vote in person or by proxy at any meeting of stockholders.

Section 2.8 The Board of Directors shall appoint either one or three inspectors of election, in advance of any meeting of stockholders, to act at such meeting of the stockholders or any adjournment thereof. Inspectors of election need not be stockholders, and no person who is

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a candidate for corporate office shall act as an inspector of election. If three inspectors of election are appointed, such inspectors of election shall act by majority vote. Each inspector of election shall sign an oath faithfully to execute the duties of inspector with strict impartiality and to the best of the inspector's ability and shall do all acts as are necessary and proper to conduct the election or vote and all such other acts as may be prescribed by law with fairness to all stockholders. Such inspectors of election shall make a written report of any matter determined by them and shall execute a certificate as to any fact found by them.

Section 2.9 The chairman of any meeting of the stockholders shall determine the order of business and the procedure to be followed at such meeting, including such regulation of the manner of voting and the conduct of discussion as he or she shall deem to be fair and equitable.

Section 2.10 The stockholders may participate in any meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another, and such participation shall constitute presence in person at such meeting.

Section 2.11 Unless otherwise required by the Certificate of Incorporation of the Corporation, any action required or permitted to be taken at any meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a written consent setting forth the action so taken shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of any corporate action without a meeting by less than unanimous written consent shall be given in conformity herewith to those stockholders who have not consented thereto in writing.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors. In addition to the powers expressly conferred upon the Board of Directors by these By-laws, the Board of Directors may exercise all powers of the Corporation and perform all lawful acts as are not required to be exercised or performed by the stockholders pursuant to law, the Certificate of Incorporation of the Corporation or these By-laws.

Section 3.2 Directors shall be natural persons who need not be stockholders of the Corporation. The specific number of directors shall be designated from time to time exclusively by the Board of Directors. Each director shall be elected for a term of one year and until his or her successor is duly elected and qualified, subject, however, to such director's prior death, resignation, retirement, disqualification or removal from office. Whenever the authorized number of directors is increased between annual meetings of the stockholders, a majority of the directors then in office shall have the power to elect such new directors who shall serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. Any decrease in the authorized number of directors shall not become effective until the expiration of the term of the directors then in office unless, at the time of such decrease, there shall be vacancies on the Board of Directors that are being eliminated by such decrease.

Section 3.3 Any vacancy on the Board of Directors occurring by reason of death, resignation, disqualification, removal or other cause may be filled by a majority of the directors then in office, although less than a quorum, and each director elected to fill a vacancy shall serve for the unexpired term of such director's predecessor and until such director's successor is duly elected and qualified.

Section 3.4 The organizational meeting of each newly elected Board of Directors may be held immediately following the stockholders' meeting at which such directors were duly elected without the necessity of notice to such directors or at such time and place as may be fixed by notice or a duly executed waiver of notice thereof.

Section 3.5 Regular meetings of the Board of Directors shall be held without call or notice at such time and place as shall from time to time be fixed by the Board of Directors.

Section 3.6 Special meetings of the Board of Directors may be called by the Chairman of the Board, by the Chief Executive Officer or by the President and shall be called by the Secretary upon the written request of a majority of directors then in office. Notice of the place, time and date of each such special meeting shall be given to each director by whom notice is not waived by mailing written notice to each director not less than two days before the meeting or by giving notice in person or by telephone, facsimile transmission or electronic mail not less than twenty-four hours before the meeting. Notice of special meetings of the Board of Directors need not state the purpose thereof, except as otherwise expressly provided by law, by the Certificate of Incorporation of the Corporation, or by these By-laws. Any and all business may be transacted at a special meeting, unless otherwise indicated in the notice thereof or provided by law, by the Certificate of Incorporation of the Corporation or by these By-laws.

Section 3.7 Members of the Board of Directors or any committee thereof may participate in any meeting of the Board of Directors or such committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another, and such participation shall constitute presence in person at such meeting.

Section 3.8 At any meeting of the Board of Directors, the presence of a majority of the total number of directors shall constitute a quorum for the transaction of business, and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by law, by the Certificate of Incorporation of the Corporation or by these By-laws. If a quorum shall not be present at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting to any place, date or time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.9 Unless otherwise provided by law, by the Certificate of Incorporation of the Corporation or these By-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing and such consent is filed with the minutes of proceedings of the Board of Directors or committee thereof.

Section 3.10 Directors, in addition to expenses of attendance, shall be allowed such compensation for their services as directors, including, without limitation, their services as members of committees of the Board of Directors, as may be fixed from time to time by the Board of Directors; provided, that nothing contained in these By-laws shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.11 A member of the Board of Directors or of any committee thereof shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or by any committee thereof, or in relying in good faith upon other records of the Corporation.

Section 3.12 The Board of Directors may designate a Chairman of the Board from among the members of the Board of Directors. The Chairman of the Board shall preside at all meetings of directors and stockholders. The Chairman of the Board, in such capacity, shall not be an officer of the Corporation unless expressly designated as such by the Board of Directors.

ARTICLE 4 COMMITTEES

Section 4.1 The Board of Directors, by a vote of a majority of the whole Board of Directors, may from time to time designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees and any others provided for herein, elect a director or directors to serve as a member or members and designate, if it desires, one or more directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend or to authorize the issuance of stock if the resolution that designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any member of any committee and any alternate member in such member's place, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. The Board of Directors may, from time to time, suspend, alter, continue or terminate any committee or the powers and functions thereof.

Section 4.2 The Board of Directors may appoint committees consisting of officers or other persons, with chairmanships, vice chairmanships and secretaryships and such duties and powers as the Board of Directors may from time to time designate and prescribe. The Board of Directors may from time to time suspend, alter, continue or terminate any of such committees or the powers and functions thereof.

Section 4.3 One-third of the members of any committee shall constitute a quorum unless the committee shall consist of one or two members, in which case one member shall constitute a quorum. All matters properly brought before any committee shall be determined by a majority vote of the members present.

Section 4.4 Any action that may be taken by a committee at a meeting may be taken without a meeting if all members thereof consent thereto in writing and such writing is filed with the minutes of the proceedings of such committee.

Section 4.5 Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided by law, by the Certificate of Incorporation of the Corporation or by these By-laws. Adequate provision shall be made for notice to all members of any committee of all meetings of that committee.

ARTICLE 5 OFFICERS

Section 5.1 The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer. Officers shall be appointed from time to time by the Board of Directors. No officer need be a member of the Board of Directors. Any number of offices may be held by the same person.

Section 5.2 The Board of Directors may appoint a Chief Executive Officer and such other officers, including assistant officers, and agents as the Board of Directors shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 5.3 Each officer shall hold office until such officer's successor is duly elected and qualified or until his or her earlier death, resignation, retirement or removal. Any officer appointed by the Board of Directors may be removed at any time by the Board of Directors without prejudice to such officer's contract rights. If the office of any officer becomes vacant for

any reason, such vacancy shall be filled by the Board of Directors. Any officer appointed to fill such a vacancy shall hold office until such officer's successor is duly elected and qualified or until such officer's earlier death, resignation, retirement or removal.

Section 5.4 The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision of these By-laws.

Section 5.5 The Chief Executive Officer shall have general management, direction and control of the business and affairs of the Corporation, subject to the direction of the Board of Directors. If no Chairman of the Board shall be designated, the Chief Executive Officer shall preside at all meetings of the Board of Directors. Unless otherwise directed by the Board of Directors from time to time, the Chief Executive Officer shall have the power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers that the Corporation may possess by reason of its ownership of securities in such other corporation.

Section 5.6 The President shall be the chief operating officer of the Corporation and, subject to the provisions of these By-laws and to the direction of the Board of Directors, shall perform such duties and have such powers as may from time to time be assigned to him or

her by the Chief Executive Officer or the Board of Directors. If no Chief Executive Officer shall be designated and then be serving, the President shall be the chief executive officer of the Corporation, and, as such, shall have the functions, authority and duties provided for the Chief Executive Officer.

Section 5.7 Each Vice President shall have such powers and perform such duties as may be delegated to him or her by the Board of Directors or by the President. In the absence or disability of the Chairman of the Board and the President, any Vice President who is also a director of the Corporation may preside at meetings of the stockholders and the Board of Directors to the extent and in the manner authorized by a resolution of the Board of Directors.

Section 5.8 The Secretary shall attend all meetings of the Board of Directors and of the stockholders and shall record all votes and the minutes of all proceedings at such meetings in a book to be kept for that purpose and shall perform such other duties as the Board of Directors may from time to time prescribe. The Secretary shall perform the preceding duties for any committee of the Board of Directors upon the request of the Board of Directors or such committee. The Secretary shall give or cause to be given notice of all meetings of the stockholders and the Board of Directors. The Secretary shall have charge of the seal of the Corporation, and, where required, shall have the authority to affix such seal to any instrument. In the absence or disability of the Secretary, any Assistant Secretary shall perform the duties and exercise the powers of the Secretary.

Section 5.9 The Treasurer shall have the custody of the Corporation's funds and securities and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designated by the Board of Directors. The Treasurer shall make such disbursements of the Corporation's funds as are authorized by the Board of Directors or by the President, taking proper vouchers for such disbursements, and shall render to the Board of Directors an account of all such transactions and of the financial condition of the Corporation, at such times as the Board of Directors may require. The Treasurer shall also perform such other duties as the Board of Directors may from time to time prescribe. In the absence or disability of the Treasurer, any Assistant Treasurer shall perform the duties and exercise the powers of the Treasurer.

ARTICLE 6 INDEMNIFICATION

Section 6.1 Subject to Section 6.3 hereof, the Corporation shall indemnify any person who was or is a party or has threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order,

settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 6.2 Subject to Section 6.3 hereof, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer, or employee of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 6.3 Any indemnification under this Article 6 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 6.1 or Section 6.2 of this Article 6, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who are not parties to such action, suit or proceeding, (ii) if such a quorum is not attainable, or, even if attainable, if a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion or (iii) by the stockholders. To the extent, however, that a director, officer or employee of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith, without the necessity of authorization in the specific case.

Section 6.4 For purposes of any determination under Section 6.3 of this Article 6, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his or her conduct was unlawful, if his or her action is based on the records or books of account of the Corporation or another enterprise (provided that such records or books of account have in each case been prepared by persons whom the person relying thereon reasonably believes to be professionally or expertly competent to prepare such records or books of account), or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent

certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 6.4 shall mean any other corporation or any partnership, joint venture, trust or other entity of which such person is or was serving at the request of the Corporation as a director, officer or employee. The provisions of this Section 6.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 6.1 or 6.2 of this Article 6, as the case may be.

Section 6.5 Notwithstanding any contrary determination in the specific case under Section 6.3 of this Article 6, and notwithstanding the absence of any determination thereunder, any director, officer or employee may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 6.1 and 6.2 of this Article 6. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer or employee is proper in the circumstances because he or she has met the applicable standards of conduct set forth in Section 6.1 or 6.2 of this Article 6, as the case may be. Notice of any application for indemnification pursuant to this Section 6.5 shall be given to the Corporation promptly upon the filing of such application.

Section 6.6 Expenses incurred in defending or investigating a threatened or pending action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the director, officer or employee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article 6.

Section 6.7 The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article 6 shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of, and advancement of expenses to, the persons specified in Sections 6.1 and 6.2 of this Article 6 shall be made to the fullest extent permitted by law. To this end, the provisions of this Article 6 shall be deemed to have been amended for the benefit of such persons effective immediately upon any modification of the General Corporation Law of the State of Delaware which expands or enlarges the power or obligation of corporations organized under such law to indemnify, or advance expenses to, such persons. The provisions of this Article 6 shall not be deemed to preclude the indemnification of, or advancement of expenses to, any person who is not specified in Section 6.1 or 6.2 of this Article 6 but whom the Corporation has the power or obligation to indemnify, or to advance expenses for, under the provisions of the General Corporation Law of the State of Delaware or otherwise. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article 6 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6.8 The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article 6.

Section 6.9 For purposes of this Article 6, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers and employees, so that any person who is or was a director, officer or employee of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article 6 with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE 7 STOCK

Section 7.1 The certificates representing shares of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. Each stockholder shall be entitled to a certificate exhibiting such stockholder's name and the number of shares held by such stockholder, which certificate shall be signed by the Chairman of the Board or the President or any Vice President, and by the Treasurer or the Secretary or any Assistant Secretary. Any or all of the signatures on such certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 7.2 Transfers of stock shall be made only upon the transfer books of the Corporation maintained in an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation, and only by the person named in the certificate or by such person's attorney, lawfully constituted in writing, and upon surrender of the certificate therefor.

Section 7.3 In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a

meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 7.4 The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

Section 7.5 The Board of Directors may authorize the issuance of a new certificate representing shares of stock in place of any certificate previously issued by the Corporation and alleged to have been lost, stolen or destroyed, pursuant to such regulations as the Board of Directors may establish concerning proof or advertisement of such alleged loss, theft or destruction and concerning the giving of a satisfactory bond or bonds sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate.

Section 7.6 The issue, transfer, conversion and registration of certificates of stock of the Corporation shall be governed by such other regulations as the Board of Directors may from time to time establish.

ARTICLE 8 NOTICES

Section 8.1 Whenever notice is required to be given to any director, committee member, officer, stockholder, employee or agent, whether pursuant to law, the Certificate of Incorporation of the Corporation or these By-laws, it shall not be construed to mean personal notice, but such notice may be given, in the case of stockholders, in writing, by depositing the same in the mail, postage prepaid, or by overnight carrier addressed to such stockholder at such stockholder's last known address as the same appears on the books of the Corporation, and, in the case of directors, committee members, officers, employees and agents, by mail, postage prepaid, or by overnight carrier at such person's last known address as the same appears on the books of the Corporation, or by giving notice in person or by telephone, facsimile transmission or electronic mail. All notices shall be deemed to be given as provided in Article 8 hereof.

Section 8.2 Whenever notice is required to be given to any stockholder, director, committee member, officer, employee or agent, whether pursuant to law, the Certificate of Incorporation of the Corporation or these By-laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except as otherwise provided by law. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation of the Corporation or by these By-laws.

ARTICLE 9 MISCELLANEOUS

Section 9.1 Any officer of the Corporation shall, if required by the Board of Directors, give the Corporation a bond for the faithful performance of the duties of such officer's office, and for the restoration to the Corporation of all corporate books, papers, vouchers, money and property of whatever kind in such officer's possession or under such officer's control. Such bond shall be for a sum and with such surety or sureties as the Board of Directors may require.

Section 9.2 The corporate seal shall be in the charge of the Secretary and shall have inscribed thereon the name of the Corporation and the words "Incorporated 1997 Delaware." If and when so directed by the Board of Directors or a committee thereof, the Secretary may have duplicates of such seal made and deposited for use with other officers of the Corporation. It shall not be necessary to the validity of any instrument executed by any authorized officer or officers of the Corporation that the execution of such instrument be evidenced by the corporate seal.

Section 9.3 The fiscal year of the Corporation shall be as determined by the Board of Directors.

Section 9.4 All checks or demands for money and notes of the Corporation shall be signed by such officer or officers as the Board of Directors may from time to time designate.

Section 9.5 The Board of Directors shall determine from time to time whether, when and under what conditions and regulations, the books and records of the Corporation (except such as may by statute be specifically open to inspection) shall be open to the inspection of the stockholders, and the stockholders' rights in this respect are and shall be restricted and limited accordingly.

Section 9.6 Facsimile signatures of any officer of the Corporation may be used at such time and in such manner as authorized by the Board of Directors or a committee thereof.

ARTICLE 10 AMENDMENT

Section 10.1 These By-laws may be amended, suspended or repealed and new By-laws may be adopted in a manner consistent with law: (a) if authorized by the Certificate of Incorporation of the Corporation, by the affirmative vote of a majority of the Directors then in office, at any meeting of the Board of Directors, or (b) by the affirmative vote of the stockholders at any stockholders' meeting called and maintained in accordance with Article 2 of these By-laws; provided, however, that a brief description of such proposed amendment, suspension or repeal and/or adoption of new By-laws is contained in the notice of such meeting of the Board of Directors or of such annual or special stockholders' meeting.

Amended and Restated as of September 13, 2010.

FIFTH AMENDED AND RESTATED
REGISTRATION RIGHTS AGREEMENT

This FIFTH AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT dated as of July 18, 2012 among Agile Therapeutics, Inc. (the "***Company***"), a Delaware corporation; those persons listed on Schedule A hereto who are signatories to this Agreement (individually an "***Investor***" and collectively the "***Investors***"); and those persons listed on Schedule B hereto who are signatories to this Agreement (individually a "***Management Stockholder***" and collectively the "***Management Stockholders***").

Recitals:

On the date hereof, certain of the Investors are purchasing shares of the Company's Series C Convertible Preferred Stock, par value $.0001 per share (the "***Series C Preferred Stock***") pursuant to a Series C Preferred Stock Purchase Agreement dated as of the date hereof (the "***Purchase Agreement***").

The Company, the Investors who hold shares of the Company's Series A-1 Convertible Preferred Stock, par value $.0001 per share (the "***Series A-1 Preferred Stock***") and shares of the Company's Series B Convertible Preferred Stock, par value $.0001 per share (the "***Series B Preferred Stock***"), and the Management Stockholders are parties to a Fourth Amended and Restated Stockholders Agreement dated as of May 25, 2010, as amended (the "***Original Rights Agreement***"). The parties are amending and restating the Original Rights Agreement as provided in this Agreement in connection with, and in satisfaction of a condition to, the closing of the transactions contemplated by the Purchase Agreement.

All references herein to Investors shall mean such Investors in their capacity as holders of Series A-1 Preferred Stock or Series B Preferred Stock or Series C Preferred Stock and all references herein to Management Stockholders shall mean such Management Stockholders in their capacity as holders of Management Stock (as defined below).

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions. As used in this Agreement:

"***Commission***" shall mean the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

"***Common Stock***" shall mean the Company's Common Stock, par value $.0001.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at that time.

"***Initiating Holders***" shall mean the holders of at least a majority of the Registrable Securities.

"***Management Stock***" shall mean the shares of Common Stock owned by the Management Stockholders and shares of Common Stock, or other securities convertible into Common Stock, received as a stock dividend or other distribution in respect of those shares.

"***Preferred Stock***" shall mean the Series A-1 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, collectively.

"***Registrable Securities***" shall mean (a) any shares of Common Stock issued or issuable upon conversion of the Preferred Stock, (b) any shares of Common Stock purchased by any Investor and (c) shares of Common Stock received as, or issued or issuable upon conversion of other securities received as, a stock dividend or other distribution in respect to any of the foregoing. For the purpose of any calculations required under Section 2, the number of Registrable Securities held by a holder shall equal the number of shares of Common Stock attributable to such holder, with the number of shares of Common Stock attributable to a holder being equal to (i) the number of shares of Common Stock held by such holder plus (ii) the number of shares of Common Stock into which any Preferred Stock held by such holder is convertible (including any shares of Preferred Stock which the Investor may acquire upon exercise of any outstanding warrant). Notwithstanding the foregoing, a Registrable Security shall cease to be a Registrable Security when (i) a registration statement covering such Registrable Security has been declared effective by the SEC and such Registrable Security has been disposed of pursuant to such effective registration statement or (ii) (x) such Registrable Security has been sold through a broker, dealer or market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force), (y) become eligible for resale pursuant to Rule 144(b)(1) under the Securities Act, and (z) any certificate evidencing such Registrable Shares to be transferred need not bear a restrictive legend. In no event shall shares of Series A-2 Preferred Stock owned by an Investor, shares issuable upon conversion thereof or shares received as, or issued or issuable upon a conversion of other securities received as, a stock dividend or other distribution in respect of such Series A-2 Preferred Stock be considered "Registrable Securities."

"***Securities Act***" shall mean the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

2. Registration Rights.

2.1 Demand Registration Rights.

2.1.1 Commencing on the earlier of (i) July 18, 2017 or (ii) 180 days after the effective date of an initial public offering of Common Stock (an "***IPO***"), the Initiating Holders may request the Company to file a registration statement under the Securities Act for a public offering of Registrable Securities (a "***Demand Registration***"). Each request for a Demand Registration by the Initiating Holders shall state the amount of the Registrable Securities proposed to be sold and the intended method of disposition thereof. The Company shall use its best efforts to register under the Securities Act the Registrable Securities of all holders who so request and cause any such Demand Registration to become effective not later than 75 days after the date it receives a request under this Section 2.1.1; provided, however, that the Company shall

not be obligated to effect (i) more than two Demand Registrations and (ii) any Demand Registration in which the aggregate offering price (based on the then current public market price) is expected to be less than $10,000,000. The Company's obligation to undertake a Demand Registration shall be deemed satisfied only when either (x) a registration statement covering all Registrable Securities requested to be registered as aforesaid shall have become effective and remained effective for the lesser of (i) the period during which all Registrable Securities in the Demand Registration are sold and (ii) 180 days, or (y) if such registration statement shall be withdrawn prior to the consummation of the offering at the request of the holders of Registrable Securities (other than as a result of a material adverse change in the Company's business or operations); provided, however, that such registration shall not constitute a Demand Registration if (i) after such Demand Registration has become effective such registration or the related offer, sale or distribution of Registrable Securities thereunder is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason not attributable to the Initiating Holders or the other holders of Registrable Securities who have requested registration pursuant to this Section 2.1.1 (each, an "***Other Demand Holder***") and such interference is not thereafter eliminated, (ii) the conditions specified in the underwriting agreement, if any, entered into in connection with such Demand Registration are not satisfied or waived, other than by reason of a failure by the Initiating Holders or (iii) the request for a Demand Registration is withdrawn at the request of the holders of a majority of the Registrable Securities to be registered and at the time of such withdrawal such holders have learned of a material adverse change in the Company's condition, business, prospects or operations from that known to such holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change.

2.1.2 Each Other Demand Holder may offer such Other Demand Holder's Registrable Securities under any Demand Registration pursuant to this Section 2.1, subject to the procedures set forth in this Section 2.1.2. Within five days after receipt of a request for a Demand Registration from an Initiating Holder, the Company shall (i) give written notice thereof to all of the Other Demand Holders and (ii) subject to Section 2.1.6, include in such registration all of the Registrable Securities held by such Other Demand Holders from whom the Company has received a written request for inclusion therein within 20 days of the receipt by such Other Demand Holder of such written notice referred to in clause (i) above. Each such request by such Other Demand Holders shall specify the number of Registrable Securities proposed to be registered. The failure of any Other Demand Holder to respond within such 15 day period referred to in clause (ii) above shall be deemed to be a waiver of such Other Demand Holder's rights under this Section 2.1 with respect to such Demand Registration. Any Other Demand Holder may waive its rights under this Section 2.1 prior to the expiration of such 20 day period by giving written notice to the Company, with a copy to the Initiating Holders.

2.1.3 Notwithstanding the foregoing, if the Company shall furnish to the Initiating Holders a certificate signed by the President of the Company stating that, in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effective at such time, the Company shall have the right to defer such filing for a period of not more than 120 days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any 12-month period. The Company shall give written notice

of its determination of the fact that it is no longer detrimental to the Company and its stockholders for such registration statement to be effective promptly after it makes such determination.

2.1.4 In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 2.1:

(i) if the Company delivers in good faith a written notice to the Initiating Holders that the Company intends to file a registration statement for an IPO during the period commencing with the date of the giving of such notice, and ending 90 days thereafter, provided that the Company is actively employing good faith reasonable efforts to cause such registration statement to become effective; or

(ii) during the period ending (A) 180 days after the effective date of the Company's IPO or (B) 90 days after the effective date of any other registration statement pertaining to Common Stock of the Company in which the holders of Registrable Securities were entitled to participate, or such shorter periods if such shorter periods are acceptable to the underwriters of such offering.

2.1.5 If the Company includes in the registration required under this Section 2.1 a number of shares other than Registrable Securities that exceeds the number of shares of Registrable Securities to be registered, then such registration shall be treated for all purposes as a registration under Section 2.2 instead of this Section 2.1. In all other cases where the Company includes in such registration any shares of Common Stock other than Registrable Securities, such registration shall remain subject to this Section 2.1. The inclusion of such other shares shall not prevent holders of Registrable Securities from registering all Registrable Securities requested by them.

2.1.6 If the Initiating Holders holding a majority of the Registrable Securities held by all of the Initiating Holders so elect, the Company shall use its best efforts to cause such Demand Registration to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 2.1.7. The Initiating Holders shall advise the Company in writing as a part of their request made pursuant to Section 2.1.1 that they elect to offer their Registrable Securities in an underwritten offering and the Company shall include such information in the written notice referred to in Section 2.1.2. In connection with any Demand Registration under this Section 2.1 involving an underwritten offering, none of the Registrable Securities held by any Initiating Holder or any Other Demand Holder making a request for inclusion of such Registrable Securities pursuant to Section 2.1.2 shall be included in such underwritten offering unless such Initiating Holder or Other Demand Holder accepts the terms of the offering as agreed upon by the Company, the Initiating Holders and the Approved Underwriter, and then only in such quantity as will not, in the opinion of the Approved Underwriter, jeopardize the success of such offering by the Initiating Holders. If the Approved Underwriter advises the Company in writing that the aggregate amount of such Registrable Securities requested to be included in such offering is sufficiently large to have a material adverse effect on the success of such offering, then the Company shall include in such registration only the aggregate amount of Registrable Securities that the Approved Underwriter

indicates in its written notice to the Company may be sold without any such material adverse effect and shall reduce the amount of securities to be included in such registration, first as to the Company, second as to the holders of securities other than Registrable Securities, if any, and third as to holders of Registrable Securities as a group, pro rata based on the number of Registrable Securities owned by each such holder.

2.1.7 The underwriter will be selected by the Initiating Holders holding a majority of the Registrable Securities held by all Initiating Holders to act as the managing underwriter of the offering, which underwriter shall be reasonably acceptable to the Company (the "***Approved Underwriter***").

2.2 Piggyback Registration Rights. Whenever the Company proposes to register any Common Stock for its own or others' account under the Securities Act other than a registration relating to employee benefit plans or a transaction to which Rule 145 of the Commission applies, the Company shall promptly (and in no event less than 20 days before the anticipated filing date) give each holder of Registrable Securities and Management Stock (the "***Piggyback Holders***") written notice of its intent to do so, and such notice shall set forth the material terms of such distribution, and offer such Piggyback Holders the opportunity to register the number of Registrable Securities or Management Stock as each such Piggyback Holder shall request (the "***Piggyback Registration***"). The Company shall use its best efforts to cause the managing underwriter or underwriters in the case of a proposed underwritten offering (the "***Company Underwriter***") to permit each of the Piggyback Holders who have requested in writing within 20 days of the date the notice is provided to participate in the Piggyback Registration to include such Piggyback Holder's Registrable Securities or Management Stock in such offering on the same terms and conditions as the securities of the Company included therein. In connection with any Piggyback Registration under this Section 2.2 involving an underwritten offering, the Company shall not be required to include any Registrable Securities or Management Stock in such underwritten offering unless the Piggyback Holders electing to participate in the Piggyback Registration accept the terms of the underwritten offering as agreed upon among the Company Underwriter, the Company and the stockholders of the Company, if any (other than the Piggyback Holders), participating in the registration, and then only in such quantity as the Company Underwriter believes will not jeopardize the success of the offering by the Company. If the Company Underwriter advises the Company in writing that the registration of all or part of the Registrable Securities and Management Stock which the Piggyback Holders have requested to be included would be seriously detrimental to the success of such offering, then the Company may reduce the amount of securities to be included in such registration, first as to the Piggyback Holders who are holders of Management Stock as a group, pro rata based on the number of shares of Management Stock owned by each such Piggyback Holder as compared to the number of shares of Management Stock owned by all Piggyback Holders, and second as to the other holders of Registrable Securities as a group, pro rata based on the number of Registrable Securities owned by each such Piggyback Holder as compared to the number of Registrable Securities owned by all such Piggyback Holders. In the event of any such limitation, shares of persons not having registration rights under this Section 2.2 will not be included in the registration unless all Registrable Securities and Management Stock requested to be included in the registration have been included. In addition, in no event shall any such limitation with respect to Registrable Securities exceed 30% of the Registrable Securities proposed to be included in a registration other than in connection with an IPO, in which case such limitation

shall be in any amount that the managing underwriter shall determine. No agreement of the Company shall permit any person other than the Company or holders of Registrable Securities or Management Stock to participate in any registration under this Section 2.2 except on the basis that any offering limitation either applies only to such other persons or is apportioned according to the number of shares of Common Stock (including Registrable Securities and Management Stock) held by each participant.

2.3 Form S-3 Registration Rights.

2.3.1 If, at a time when the Company is eligible for use of Form S-3 (or any successor thereto) under the Securities Act in connection with a public offering of its securities, the Company shall receive from holders of 10% or more of the Registrable Securities (the "***S-3 Initiating Holders***") a written request or requests that the Company register, under the Securities Act on Form S-3 (or any successor thereto), all or a portion of the Registrable Securities owned by such S-3 Initiating Holders (an "***S-3 Registration***"), the Company shall promptly (and in no event less than 20 days before the anticipated filing date of such Form S-3) give written notice of the proposed registration to each holder of Registrable Securities other than the S-3 Initiating Holders which have requested an S-3 Registration under this Section 2.3 (the "***Other S-3 Holders***"), and such notice shall offer such Other S-3 Holders the opportunity to register the number of Registrable Securities as each such Other S-3 Holder may request in writing to the Company, given within 20 days after their receipt from the Company of the written notice of such registration. If requested by the S-3 Initiating Holders, such S-3 Registration shall be for an offering on a continuous basis pursuant to Rule 415 under the Securities Act for a period of 12 months after the effectiveness of such S-3 Registration. With respect to each S-3 Registration, the Company shall, subject to Section 2.3.2 (i) include in such offering the Registrable Securities of the S-3 Initiating Holders and (ii) use its best efforts to (x) cause such registration pursuant to this Section 2.3.1 to become effective as soon as practicable, but in any event not later than 60 days after it receives a request therefor and (y) include in such offering the Registrable Securities of the Other S-3 Holders who have requested in writing to participate in such registration on the same terms and conditions as the Registrable Securities of the S-3 of the S-3 Initiating Holders included therein.

2.3.2 Any S-3 Registration effected under this Section 2.3 will not be counted as a Demand Registration under Section 2.1.

2.3.3 The Company shall not be obligated to effect (i) more than two S-3 Registrations in any calendar year or (ii) any S-3 Registration in which the aggregate offering price (based on the then current public market price) is expected by the Company to be less than $5,000,000.

2.3.4 Notwithstanding the foregoing, if the Company shall furnish to the S-3 Initiating Holders and the Other S-3 Holders, a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration statement to be effective at such time, the Company shall have the right to defer such filing for a period of not more than 120 days after its receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any

12-month period. Promptly after it makes such determination, the Company shall give written notice to the S-3 Initiating Holders and the Other S-3 Holders of its determination of the fact that it is no longer detrimental to the Company and its stockholders for such Form S-3 registration statement to be effective.

2.4 Registration Procedures. In connection with registrations under this Section 2, the Company shall use its best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of distribution thereof as soon as reasonably practicable, and in connection with any such request shall, as expeditiously as possible:

2.4.1 prepare and file with the Commission as soon as reasonably practicable a registration statement with respect to the Registrable Securities and/or Management Stock, as the case may be, and use best efforts to cause such registration statement to become effective; provided, however, that (x) before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall provide the seller of Registrable Securities and counsel selected by the holders of a majority of the Registrable Securities being registered in such registration ("***Holders' Counsel***") and any other Inspector (as defined below) with a reasonable opportunity to review and comment on such registration statement and each prospectus included therein (and each amendment or supplement thereto) to be filed with the Commission, subject to such reasonable confidentiality requirements as may be requested by the Company, (y) the Company will include in the registration statement such information as such seller or Holders' Counsel shall reasonably request and (z) the Company shall notify Holders' Counsel and each seller of Registrable Securities of any stop order issued or, to the knowledge of the Company, threatened by the Commission and use its reasonable efforts to prevent the entry of such stop order or to remove it if entered;

2.4.2 prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the lesser of (x) 120 days and (y) such shorter period which will terminate when all Registrable Securities and Management Stock covered by such registration statement have been sold; provided, that if the S-3 Initiating Holders have requested than an S-3 Registration be for an offering on a continuous basis pursuant to Rule 415 under the Securities Act, then the Company shall use its best efforts to keep such registration statement effective and shall comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement, in both cases for the time period for which the Company shall be required to keep such registration statement effective in accordance with the requirements of Section 2.3;

2.4.3 furnish to each seller of Registrable Securities and Management Stock such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto), and the prospectus included in such registration statement (including each preliminary prospectus) and any prospectus filed under Rule 424 of the Securities Act as each such seller may reasonably request in order to facilitate the disposition of the Registrable Securities and Management Stock owned by such seller;

2.4.4 use its best efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any seller of Registrable Securities shall reasonably request, and to use its best efforts to continue such qualification in effect in such jurisdiction for as long as permissible pursuant to the laws of such jurisdiction, or for as long as any such seller requests or until all of such Registrable Securities are sold, whichever is shortest, and do any and all other acts and things which may be reasonably necessary to enable any such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller; provided, however, that the Company shall not be required to (x) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 2.4.4, (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

2.4.5 notify each seller of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon its discovery that, or upon its discovery of the happening of any event as a result of which, the prospectus included in such Registration Statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and the Company shall promptly prepare a supplement or amendment to such prospectus and furnish to each seller of Registrable Securities a reasonable number of copies of such supplement to or an amendment of such prospectus as may be necessary so that, after delivery to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

2.4.6 enter into and perform customary agreements (including an underwriting agreement in customary form with the Approved Underwriter or Company Underwriter, if any, selected as provided Sections 2.1.7 and 2.2, as the case may be);

2.4.7 make available its officers to participate in "road shows" and other information meetings organized by the Approved Underwriter or Company Underwriter in which such Approved Underwriter or Company Underwriter shall reasonably request such officer's participation;

2.4.8 make available at reasonable times for inspection by any seller of Registrable Securities, any managing underwriter participating in any disposition of such Registrable Securities pursuant to a registration statement, Holders' Counsel and any attorney, accountant or other agent retained by any such seller or any managing underwriter (each, an "***Inspector***"), all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries (collectively, the "***Records***") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's and its subsidiaries' officers, directors and employees, and the independent public accountants of the Company, to supply all information reasonably requested by any such Inspector in connection with such Registration Statement. Records that the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors and any seller of Registrable Securities (and the Inspectors and sellers of Registrable Securities shall confirm their agreement in writing in advance to the Company if the Company so

requests) unless (x) the disclosure of such records is necessary, in the Company's judgment, to avoid or correct a misstatement or omission in the Registration Statement, (y) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction after exhaustion of all appeals therefrom or (z) the information in such Records was known to the Inspectors on a non-confidential basis prior to its disclosure by the Company or has been made generally available to the public. Each seller of Registrable Securities agrees, and each Inspector shall agree, that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give prompt notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

2.4.9 if such sale is pursuant to an underwritten offering, obtain and furnish to the managing underwriter "cold comfort" letters dated the effective date of the registration statement and the date of the closing under the underwriting agreement from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the managing underwriter reasonably requests;

2.4.10 if such sale is pursuant to an underwritten offering, furnish, at the request of any underwriter, on the date such securities are delivered to the underwriters for sale pursuant to such registration, an opinion, dated such date, of counsel representing the Company for the purposes of such registration, addressed to the underwriters, covering such legal matters with respect to the registration in respect of which such opinion is being given as the underwriters may reasonably request and are customarily given or, if such sale is not pursuant to an underwritten offering, furnish, at the request of any seller of Registrable Securities, on the date the Registration Statement with respect to such securities becomes effective, an opinion, dated such date, of counsel representing the Company, covering such legal matters with respect to the registration in respect of which such opinion is being given as such seller may reasonably request and are customarily given for the purpose of causing the legend to be removed from the stock certificates of such seller in connection with the transfer of the shares as requested by such seller;

2.4.11 use its reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months beginning on the first day of the Company's full calendar quarter after the effective date of the registration statement, in a manner which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

2.4.12 cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed or on the NASD automated quotation system if similar securities issued by the Company are then listed on the NASD automated quotation system and if such similar securities are designated as Nasdaq "national

market system securities" within the meaning of Rule 600(a) of Regulation NMS of the Commission, to cause the Registered Securities to be so designated, provided that the applicable listing requirements are satisfied;

2.4.13 notify Holders' Counsel, if any, in writing as to the initiation of any registration under Sections 2.1, 2.2 and 2.3;

2.4.14 provide a transfer agent and registrar for all Registrable Securities registered pursuant to Sections 2.1, 2.2 and 2.3 and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

2.4.15 provide such cooperation to each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and their respective counsel as any of them shall reasonably request in connection with any filings required to be made with the NASD; and

2.4.16 take all other steps that shall be reasonably requested by any seller of Registrable Securities and that shall be necessary to effect the registration of the Registrable Securities contemplated hereby.

2.5 Underwriting Arrangement. In connection with each registration pursuant to Sections 2.1, 2.2 and 2.3 covering an underwritten public offering, the Company and each holder participating in a registration pursuant to this Section 2 agree to enter into a written agreement with the managing underwriter in such form and containing such provisions as is then customary in the securities business for such an arrangement between such underwriter and companies of the Company's size and investment stature.

2.6 Expenses. All expenses incurred in connection with the registrations under this Section 2 (including without limitation all registration, filing, qualification, blue sky, printer's and accounting fees and the fees and disbursements of one counsel for the holders, but excluding stock transfer taxes and underwriting commissions and discounts) shall be borne by the Company, regardless of whether such Registration Statement is declared effective.

2.7 Furnishing Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 2.1, 2.2 or 2.3 that the selling holders of Registrable Securities shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of distribution of such securities and such other information as shall be required to effect the registration of their Registrable Securities.

2.8 Delay. No holder of Registrable Securities shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as a result of any controversy that might arise with respect to the interpretation for implementation of this Section 2.

3. Indemnification.

3.1 Indemnification by the Company. The Company will indemnify and hold harmless each holder of Registrable Securities and/or Management Stock being registered and its partners, members, affiliates or officers, directors and stockholders, lawyers and accountants for such holder, and each underwriter of the Registrable Securities and/or Management Stock, and each controlling person of such holder and underwriter, against all claims, losses, damages and sliabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement relating to such Registrable Securities and/or Management Stock (or in any related registration statement,

prospectus, amendment or supplement thereto, notification or the like, including any preliminary or final prospectus) or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws, and the Company will reimburse each such holder and its partners, members, affiliates or officers, directors or stockholders, lawyers and accountants, and each such underwriter and controlling person, for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such claim, loss, damage, liability or action, provided, however, that the indemnity agreement contained in this Section 3.1 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed), provided further, that the Company will not be liable in any such case to the extent that any such claim, loss, damage or liability arises out of or is based on (i) any untrue statement or omission based upon and in conformity with written information furnished to the Company by any such holder or underwriter by an instrument duly executed by such holder or underwriter and stated to be specifically for use therein or (ii) the failure of such holder to effectively cause the prospectus deliver requirements of the Securities Act to be satisfied, provided that the Company shall have complied with the prospectus delivery requirements set forth in Section 2.4.3 of this Agreement.

3.2 Indemnification by Holders. In connection with each registration pursuant to Sections 2.1, 2.2 or 2.3, each holder of Registrable Securities and/or Management Stock, if Registrable Securities and/or Management Stock held by such holder are included in the securities as to which such registration is being effected, will hold harmless the Company, each of its directors, each of its officers who has signed the registration statement and each person, if any, who controls the Company within the meaning of the Securities Act, and each other holder of Registrable Securities and/or Management Stock selling securities in such registration statement against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement relating to the Registrable Securities and/or Management Stock (or in any related registration statement, notification or the like) or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent (and only to the extent) that such claim, loss, damage or liability arises out of or is based on any untrue statement or omission based upon and in conformity with written information furnished to the Company by such holder and stated to be specifically for use therein, and such holder will reimburse the Company and each such director, officer or controlling person and other holder of Registrable Securities and/or Management Stock selling securities in such registration statement for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 3.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of such holder (which consent shall not be unreasonably withheld or delayed); and provided, further, that that no holder of Registrable Securities or Management Stock will be liable under this Section 3.2 for any losses, costs or damages or expenses exceeding in the aggregate the net proceeds from the offering to such holder.

3.3 Procedure for Indemnification. Each party entitled to indemnification under this Section 3 (the "***Indemnified Party***") shall give notice to the party required to provide indemnification (the "***Indemnifying Party***") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 3. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party (which consent shall not be unreasonably withheld or delayed), consent to entry of any judgment or enter into any settlement.

3.4 Indemnification Unavailable. If the indemnification provided for in this Section 3 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage or expense referred to herein, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and of the Indemnified Party, on the other, in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that no contribution by any holder of Registrable Securities and/or Management Stock, when combined with any amounts paid by such holder pursuant to Section 3.2, shall exceed the net proceeds from the offering payable to such holder or any other person to whom such holder shall direct. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

3.5 Underwriting Agreement Provisions for Indemnification. Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with an underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

3.6 Survival of Indemnification. The obligations of the Company and the holders of Registrable Securities and/or Management Stock under this Section 3 shall survive the completion of any offering of Registrable Securities and/or Management Stock in a registration statement under Sections 2.1, 2.2 and 2.3, and otherwise.

4. Reports Under Exchange Act of 1934.

4.1 Obligations of the Company. With a view to making available to the holders of Registrable Securities and Management Stock the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the Commission that may at any time permit a

holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

4.2.1 make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after 90 days after the effective date of the IPO so long as the Company remains subject to the periodic reporting requirements under Section 13 or 15(d) of the Exchange Act;

4.2.2 file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

4.2.3 furnish to any holder of Registrable Securities or Management Stock, so long as the holder owns any Registrable Securities or Management Stock, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 of the Securities Act (at any time after 90 days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as shall be reasonably requested in availing any holder of Registrable Securities and/or Management Stock of any rule or regulation of the Commission that permits the selling of any such securities without registration or pursuant to such form.

5. Grants to Others. The Company agrees that it will not grant to any other person the right to register shares of capital stock of the Company held by such other person that shall be senior to or pari passu with the rights granted to the Investors hereunder without the prior written consent of the holders of not less than at least a majority of the shares of Common Stock attributable to the holders of the Registrable Securities outstanding (the number of shares of Common Stock attributable to each holder of Registrable Securities shall equal the number of shares of Common Stock held by such holder plus the number of shares of Common Stock into which any shares of Preferred Stock held by such holder are convertible).

6. Holdback Agreement. In the event of an IPO, each holder of Registrable Securities and/or Management Stock and each transferee pursuant to Section 11 agrees upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any equity securities of the Company (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days, subject to the last paragraph of this Section 6) from the effective date of such registration as the Company or the underwriters may specify; provided, however, that all directors and officers of the Company and all persons holding in excess of 1% of the shares of capital stock of the Company on a fully diluted basis and all executive officers and directors of the Company shall also have agreed not to sell publicly their Common Stock under the circumstances and pursuant to the terms set forth in this Section 6; and provided further, however, that any such lock-up agreement shall provide that if the Company or the managing underwriter releases any shares from the lock-up with respect to

such offering prior to the scheduled expiration date, the Company or the managing underwriter shall contemporaneously release the Registrable Securities of each holder of Registrable Securities from such lock-up, pro rata based on the number of shares held by each such holder. Notwithstanding the foregoing, in no event shall any such lock-up apply to shares of Common Stock purchased by any Investor in the IPO. For the avoidance of doubt, the foregoing provisions of this Section 6 shall apply only to the Company's IPO. The underwriters in connection with the Company's IPO are intended third party beneficiaries of this Section 6 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities and Management Stock of each holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period. Notwithstanding anything to the contrary contained herein, if (i) during the last 17 days of the 180-day restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or (ii) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions imposed by this Section 6 shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

7. Cooperation of Holders of Registrable Securities. Each prospective seller of the shares of Registrable Securities and/or Management Stock registered or to be registered under any registration hereunder shall furnish to the Company such information and execute such documents regarding the shares held by such seller and the intended method of disposition thereof as the Company shall reasonably request in writing and as shall be required in connection with the registration, qualification or compliance referred to in this Agreement to be taken by the Company.

8. Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by certified mail, postage prepaid, or by overnight delivery service, charges prepaid or by confirmed facsimile, in each case addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by the addressee to the addressor:

To the Company:

Agile Therapeutics, Inc.
101 Poor Farm Road
Princeton, NJ 08540
Attention: President
Facsimile: 609-940-0301

To any Investor, addressed to such Investor at the respective address set forth on Schedule A; and

To any Management Stockholder, addressed to such Management Stockholder at the respective address set forth on Schedule B;

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when received by the party to whom it is addressed.

9. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

10. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same agreement. This Agreement may, upon execution by a party, be transmitted by facsimile or other electronic transmission with the same effect as if such party had delivered an executed original counterpart to this Agreement.

11. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by each of the parties hereto and their respective heirs, personal representatives, successors and assigns; provided, however, that the rights of any transferee of Registrable Securities or Management Stock to cause the Company to register the securities held by such transferee and to otherwise obtain the benefits of this Agreement shall become effective only if (a) either (i) the transferee acquires at least 5,000 shares of Registrable Securities or (ii) in connection with the distribution by an Investor of Registrable Securities to the beneficial owners (including, without limitation, to partners of a general or limited partnership, members of a limited liability company, stockholders of a corporation and beneficiaries of a trust) of the securities of an Investor, (b) the Company is given written notice of the transfer of the Registrable Securities or

Management Stock to such transferee, stating the name and address of the transferee, and (c) the transferee agrees in writing to be bound by the provisions of this Agreement, whereupon such transferee shall be deemed an "Investor" or a "Management Stockholder," as the case may be, for purposes of this Agreement.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware.

13. Entire Agreement. This Agreement and the documents referred to herein contain the entire agreement among the parties with respect to the subject matter hereof and supersede all prior arrangements and understandings with respect thereto. No party shall be liable or bound to any other party in any manner by any warranties, representations, or covenants except as specifically set forth herein or therein.

14. Original Rights Agreement. The Original Rights Agreement is hereby amended and restated, and superseded in its entirety, by this Agreement.

15. Amendments and Waivers. Changes in or additions to any provision of this Agreement may be made or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance

and either retroactively or prospectively), upon written consent of the Company and the holders of not less than a majority of the shares of Common Stock attributable to the holders of the Registrable Securities (the number of shares of Common Stock attributable to a holder of Registrable Securities shall equal the number of shares of Common Stock held by such holder of Registrable Securities plus the number of shares of Common Stock into which any shares of Preferred Stock held by such holder are convertible). Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities at the time outstanding, each future holder of all such Registrable Securities and the Company. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision. No consent shall be required from any party to this Agreement who no longer holds any Registrable Securities.

16. Additional Shares. Any Registrable Securities and Management Stock hereafter issued to or received by a party hereto shall thereafter become subject to this Agreement and shall be deemed "Registrable Securities" or "Management Stock" (as the case may be) for purposes of this Agreement. The addition of shares of Registrable Securities or Management Stock shall not constitute an amendment subject to the requirements of Section 15. Notwithstanding the foregoing, the provisions of this Section 16 shall not apply to the sale of shares to the public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act.

17. Ownership Capacity. In the event of the conversion of any shares of Preferred Stock of a party hereto into shares of Common Stock pursuant to Section III(d)(ii) or Section III(d)(iii) of the Second Amended and Restated Certificate of Incorporation of the Company, as amended, such party shall no longer have any rights hereunder with respect to the converted shares (or the shares of Common Stock issued upon conversion thereof).

18. Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement or considered in construing or interpreting this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day, month and year first above written.

AGILE THERAPEUTICS, INC.

By: /s/ Al Altomari

Title: President and Chief Executive Officer

[SIGNATURE PAGE TO AGILE THERAPEUTICS, INC. FIFTH AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT]

INVESTOR GROWTH CAPITAL LIMITED

By: /s/ Lisa Barnett
Name: Lisa Barnett
Title: 'A' Director

By: /s/ Robert de Heus
Name: Robert de Heus
Title: 'B' Director

INVESTOR GROUP L.P.

By: Investor Growth Capital LLC,
its general partner

By: /s/ Stephen Campe
Name: Stephen Campe
Title: President

IGC FUND VI, L.P.

By: Investor Growth Capital LLC,
its general partner

By: /s/ Stephen Campe
Name: Stephen Campe
Title: President

[SIGNATURE PAGE TO AGILE THERAPEUTICS, INC. FIFTH AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT]

CARE CAPITAL INVESTMENTS III LP
By its General Partner, Care Capital III LLC

By: /s/ David R. Ramsay
Name: David R. Ramsay
Title: Authorized Signatory

CARE CAPITAL OFFSHORE INVESTMENTS III LP
By its General Partner, Care Capital III LLC

By: /s/ David R. Ramsay
Name: David R. Ramsay
Title: Authorized Signatory

PROQUEST INVESTMENTS III, L.P.

By: ProQuest Associates III LLC
its general partner

By: /s/ Pasquale DeAngelis
Pasquale DeAngelis
A Managing Member

PROQUEST INVESTMENTS IV, L.P.

By: ProQuest Associates IV LLC,
its general partner

By: /s/ Pasquale DeAngelis
Pasquale DeAngelis
A Managing Member

NOVITAS CAPITAL II, L.P. (f/k/a PA Early Stage Partners, II, L.P.

By: NOVITAS CAPITAL II GP, L.P.,
its general partner

By: NOVITAS CAPITAL II GP MANAGER, LLC,
its manager

By: /s/ Paul J. Schmitt

Title: Managing Director

KAISER PERMANENTE VENTURES, LLC - SERIES A

By: /s/ Thomas Meier
Name: Thomas Meier
Title: SVP and Treasurer

KAISER PERMANENTE VENTURES, LLC - SERIES B

By: /s/ Chris Grant
Name: Chris Grant
Title: Management Committee

THE PERMANENTE FEDERATION LLC - SERIES I

By: /s/ Glen Hentges
Name: Glen Hentges
Title: CFO

THE PERMANENTE FEDERATION LLC - SERIES J

By: /s/ Glen Hentges
Name: Glen Hentges
Title: CFO

AISLING CAPITAL III, LP

By: /s/ Lloyd Appel
Name: Lloyd Appel
Title: CFO

Daria O. Blackwell

/s/ Thomas M. Rossi
Thomas M. Rossi

Jerry Parrott

Hal S. Broderson

Charles G. Hadley

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

By: _____

Title: _____

Mark Roffman

Te-Yen Chien

Martin R. Lautman

/s/ Agis Kydonieus
Agis Kydonieus

/s/ Marie L. Foegh
Marie L. Foegh

Gregory Arnold

Thomas P. Stagnaro

SCHEDULE A

Name and Address

Aisling Capital
30th Floor
888 7th Avenue
New York, NY 10106
Attention: Andrew Schiff
Facsimile: (212) 651-6379

With a copy to:

Aisling Capital III, L.P.
888 Seventh Avenue
30th Floor
New York, NY 10106
Attn: Chief Financial Officer
Facsimile: (212) 651-6379

and:

McDermott Will & Emery LLP
340 Madison Avenue
New York, NY 10173-1922
Attn: Todd Finger
Facsimile: (212) 547-5444

Investor Growth Capital Limited
Canada Court, Upland Road

St. Peter Port, Guernsey GY1 3BQ,
Channel Islands
Attention: Lisa Crawford
Facsimile: +44(0)1481 744554

With a copy to:

Abhijeet Lele
c/o Investor Growth Capital LLC
One Rockefeller Plaza
Suite 2801
New York, NY 10020
Facsimile: (212) 515-9019

Name and Address

Investor Group L.P.
c/o Investor Growth Capital LLC
One Rockefeller Plaza
Suite 2801
New York, NY 10020
Facsimile: (212) 515-9019

With a copy to:
Abhijeet Lele
c/o Investor Growth Capital LLC
One Rockefeller Plaza
Suite 2801
New York, NY 10020
Facsimile: (212) 515-9019

IGC Fund VI, L.P.
c/o Investor Growth Capital LLC
One Rockefeller Plaza
Suite 2801
New York, NY 10020
Attention: Abhijeet Lele
Facsimile: (212) 515-9019

Care Capital Investments III LP
47 Hulfish Street
Suite 310
Princeton, NJ 08542
Attention: Lorenzo Pellegrini
Facsimile: (609) 683-5787

Care Capital Offshore Investments III LP
47 Hulfish Street
Suite 310
Princeton, NJ 08542
Attention: Lorenzo Pellegrini
Facsimile: (609) 683-5787

Kaiser Permanente Ventures LLC — Series A
One Kaiser Plaza
22nd Floor
Oakland, CA 94512
Attention: Chris M. Grant
Facsimile (510) 891-7943

Name and Address

Kaiser Permanente Ventures LLC — Series B
One Kaiser Plaza
22nd Floor
Oakland, CA 94512
Attention: Chris M. Grant
Facsimile (510) 891-7943

The Permanente Federation LLC — Series I
One Kaiser Plaza
22nd Floor
Oakland, CA 94512
Attention: Chris M. Grant
Facsimile (510) 891-7943

The Permanente Federation LLC — Series J
One Kaiser Plaza
22nd Floor
Oakland, CA 94512
Attention: Chris M. Grant
Facsimile (510) 891-7943

ProQuest Investments III, L.P.
90 Nassau Street
Fifth Floor

Princeton, NJ 08542
Attention: Pasquale DeAngelis
Facsimile: (609) 919-3570

ProQuest Investments IV, L.P.
90 Nassau Street
Fifth Floor
Princeton, NJ 08542
Attention: Pasquale DeAngelis
Facsimile: (609) 919-3570

Novitas Capital II, L.P. (f/k/a PA Early Stage Partners, II, L.P.)
435 Devon Park Drive
Suite 801
Wayne, PA 19087
Attention: Lisa Joswick
Facsimile: (610) 254-4240

Name and Address

Agis Kydonieus

Marie Foegh

Gregory Arnold

Thomas M. Rossi

SCHEDULE B

Name and Address

Daria O. Blackwell

Hal S. Broderson, M.D.

Dr. Te-Yen Chien

Charles G. Hadley

Martin R. Lautman

Jerry Parrott

Dr. Mark Roffman

Thomas M. Rossi

Office of Corporate Liaison
and Technology Transfer
Rutgers, The State University of New Jersey
ASB III, 3 Rutgers Plaza
New Brunswick, NJ 08901

Name and Address

Thomas P. Stagnaro

Agis Kydonieus

Marie Foegh

Gregory Arnold

AGILE THERAPEUTICS, INC.
AMENDED AND RESTATED
1997 EQUITY INCENTIVE PLAN

1. Purpose. The purpose of the Agile Therapeutics, Inc. Amended and Restated 1997 Equity Incentive Plan is to enhance the ability of Agile Therapeutics, Inc. (the "Company") and any subsidiaries to attract and retain the best available personnel for positions of substantial responsibility, to provide compensation and additional incentives to such personnel and to promote the success of the Company. To accomplish these purposes, this Plan provides a means whereby employees, directors and consultants may receive stock options ("Options") to purchase shares of the Company's Common Stock (the "Common Stock") and awards of shares of Common Stock that are restricted against transfer and/or subject to forfeiture ("Restricted Stock").

2. Administration.

(a) Composition of the Committee. This Plan shall be administered by a committee (the "Committee"), which shall be appointed by and serve at the pleasure of the Company's Board of Directors (the "Board"). The Committee shall be comprised of two or more members of the Board. In the event that the Company registers any class of equity securities pursuant to Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act"), each member of the Committee shall be (i) a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, and (ii) an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Subject to the foregoing, from time to time the Board may increase or decrease the size of the Committee, appoint additional members thereof, remove members (with or without cause), appoint new members in substitution therefor, fill vacancies or remove all members of the Committee and thereafter directly administer this Plan.

(b) Authority of the Committee. The Committee shall have full and final authority, in its sole discretion, to interpret the provisions of this Plan and to decide all questions of fact arising in its application; to determine the employees, directors and consultants to whom awards shall be made and the type, amount, size and terms of each such award; to determine the time when awards shall be granted; and to make all other determinations necessary or advisable for the administration of this Plan. The Committee shall have the authority to adopt, amend and rescind such rules, regulations and procedures as, in its opinion, may be advisable in the administration of this Plan, including, without limitation, rules, regulations and procedures that: (i) deal with satisfaction of a participant's tax withholding obligations pursuant to Section 13 hereof, (ii) include arrangements to facilitate an optionee's ability to borrow funds for the payment of the exercise price of an Option, if applicable, from securities' brokers and dealers, and (iii) include arrangements that provide for the payment of some or all of an Option's exercise price by delivery of previously owned shares of Common Stock or other property and/or by withholding some of the shares of Common Stock being acquired upon exercise of an Option. All decisions, determinations and interpretations of the Committee shall be final and binding on all optionees and all other holders of Options granted under this Plan.

(c) Authority of the Board. Notwithstanding anything to the contrary set forth in this Plan, all authority granted hereunder to the Committee may be exercised at any time and from time to time by the Board. All decisions, determinations and interpretations of the Board shall be final and binding on all optionees and all other holders of Options granted under this Plan.

3. Stock Subject to This Plan. Subject to Section 16 hereof, the shares that may be issued under the Plan shall not exceed in the aggregate 10,979,316 shares of Common Stock of the Company (the "Common Stock"), not including the 2,004,969 shares for which options have heretofore been exercised under the Plan. Such shares may be authorized and unissued shares or shares issued and subsequently reacquired by the Company. Except as otherwise provided herein, any shares subject to an Option that for any reason expires or is terminated unexercised as to such shares, and any shares of Restricted Stock acquired by the Company prior to the expiration of the applicable restriction period, shall again be available under this Plan.

4. Eligibility To Receive Awards. Persons eligible to receive Options and Restricted Stock awards under this Plan shall be limited to those consultants, directors, officers and other employees of the Company and any subsidiary (as defined in Section 424 of the Code or any amendment or substitute thereto), who are in positions in which their decisions, actions and counsel significantly impact upon the profitability and success of the Company and any subsidiary. Directors of the Company who are not also employees of the Company or any subsidiary and consultants shall not be eligible to be awarded Incentive Stock Options (as defined in Section 5 hereof). Notwithstanding anything to the contrary set forth in this Plan, the maximum number of shares of Common Stock for which awards may be granted to any employee in any calendar year under this Plan shall be 2,000,000 shares.

5. Types of Options. Grants may be made at any time and from time to time by the Committee in the form of Options to purchase shares of Common Stock. Options granted hereunder may be Options that are intended to qualify as incentive stock options within the meaning of Section 422 of the Code or any amendment or substitute thereto ("Incentive Stock Options") or Options that are not intended to so qualify ("Nonqualified Stock Options").

6. Option Agreements. Options for the purchase of Common Stock shall be evidenced by written agreements in such form not inconsistent with this Plan as the Committee shall approve from time to time. The Options granted hereunder may be evidenced by a single agreement or by multiple agreements, as determined by the Committee in its sole discretion. Each agreement shall contain in substance the terms and conditions set forth below, as well as such other terms and conditions not inconsistent with this Plan as the Committee, in its sole discretion, may determine:

(a) Type of Option. Each option agreement shall identify the Options represented thereby as Incentive Stock Options or Nonqualified Stock Options, as the case may be.

(b) Option Price. Each option agreement shall set forth the purchase price of the Common Stock purchasable upon the exercise of the Option evidenced thereby. Subject to the limitation set forth in Section 6(d)(ii) hereof, the purchase price of the Common Stock subject to an Incentive Stock Option shall be not less than 100% of the fair market value of such stock on

the date the Option is granted, as determined by the Committee, but in no event less than the par value of such stock, if any. The purchase price of the Common Stock subject to a Nonqualified Stock Option shall be not less than 85% of the fair market value of such stock on the date the Option is granted, as determined by the Committee. For this purpose, fair market value on any date shall mean the closing price of the Common Stock, as reported in *The Wall Street Journal* or if not so reported, as reported by the National Association of Securities Dealers Automated Quotation ("Nasdaq") System, or if the Common Stock is not reported by Nasdaq, the fair market value shall be as determined by the Board pursuant to Section 422 of the Code.

(c) Exercise Term. Each option agreement shall state the period or periods of time within which the Option shall vest and may be exercised, in whole or in part, which shall be such a period or periods of time as may be determined by the Committee, provided that no Option shall be exercisable after ten years from the date of grant thereof. Subject to the requirements set forth in the Plan, the Committee shall have the power to permit: (i) the exercise of unvested Options, or portions thereof, for the purchase of shares of restricted Common Stock subject to a repurchase right in favor of the Company, with the repurchase price being equal to the lesser of (x) the original purchase price or (y) the Fair Market Value of the shares on the date of repurchase, and/or to any other restrictions as the Committee deems to be appropriate, and (ii) the acceleration of previously established exercise terms, in each case upon such circumstances and subject to such terms and conditions as the Committee shall determine.

(d) Incentive Stock Options. In the case of an Incentive Stock Option, each option agreement shall contain such other terms, conditions and provisions as the Committee determines necessary or desirable in order to qualify such Option as a tax-favored option (within the meaning of Section 422 of the Code or any amendment or substitute thereto or regulation thereunder), including without limitation, each of the following, except that any of these provisions may be omitted or modified if it is no longer required in order to have an Option qualify as a tax-favored option within the meaning of Section 422 of the Code or any substitute therefor:

(i) The aggregate fair market value (determined as of the date the Option is granted) of the Common Stock with respect to which Incentive Stock Options are first exercisable by any employee during any calendar year (under all plans of the Company) shall not exceed $100,000.

(ii) No Incentive Stock Options shall be granted to any employee if, at the time the Option is granted, the employee owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its parent or its subsidiaries unless, at the time such Option is granted, the Option price is at least 110% of the fair market value of the stock subject to the Option and, by its terms, the Option is not exercisable after the expiration of five years from the date of grant.

(iii) No Incentive Stock Options shall be exercisable more than three months (or one year, in the case of an employee who dies or becomes disabled within the meaning of Section 22(e)(3) of the Code or any substitute therefor) after termination of employment.

(e) Substitution of Options. Options may be granted under this Plan from time to time in substitution for stock options held by directors, consultants and employees of other corporations who are about to become, and who do concurrently with the grant of such options become, directors, consultants or employees of the Company or a subsidiary as a result of a merger or consolidation of the employing corporation with the Company or a subsidiary, or the acquisition by the Company or a subsidiary of the assets or capital stock of the employing corporation or a subsidiary of the employing corporation. The terms and conditions of the substitute options so granted may vary from the terms and conditions set forth in this Section 6 to such extent as the Committee at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the stock options in substitution for which they are granted.

7. Date of Grant. The date on which an Option shall be deemed to have been granted under this Plan shall be the date of the Committee's authorization of the Option or such later date as may be determined by the Committee at the time the Option is authorized. Notice of the determination shall be given to each individual to whom an Option is so granted within a reasonable time after the date of such grant.

8. Exercise and Payment for Shares. Options may be exercised in whole or in part, from time to time, by giving written notice of exercise to the Secretary of the Company, specifying the number of shares to be purchased. The purchase price of the shares with respect to which an Option is exercised shall be payable in full at the time notice is given in cash, by promissory note, by Common Stock at fair market value, or by a combination thereof, as the Committee may determine from time to time and subject to such terms and conditions as may be prescribed by the Committee for such purpose. The Committee may also, in its discretion and subject to prior notification to the Company by an optionee, permit an optionee to pay the purchase price for shares of Common Stock acquired upon the exercise of the Option by authorizing a third party to sell shares of Common Stock (or a sufficient portion of such shares) acquired upon exercise of an Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire exercise price for the portion of the Option being exercised and any tax withholding resulting from such exercise. The recipient of any Option under this Plan shall have no rights as a stockholder unless and until such Option is duly exercised and certificates for shares of Common Stock are issued and delivered upon exercise of the Option.

9. Rights upon Termination of Service. In the event that an optionee ceases to be a consultant, director, officer or employee of the Company or any subsidiary, for any reason other than death, retirement, as hereinafter defined, or disability (within the meaning of Section 22(e)(3) of the Code or any substitute therefor), the optionee shall have the right to exercise the Option during its term within a period of three months after such termination to the extent that the Option was exercisable at the time of termination, or within such other period, and subject to such terms and conditions as may be specified by the Committee. In the event that an optionee dies, becomes disabled or, in the case of any employee, retires prior to the expiration of his or her Option and without having fully exercised the Option, the optionee or the optionee's successor shall have the right to exercise the Option during its term within a period of one year after termination of service due to death, disability (within the meaning of Section 22(e)(3) of the Code) or, in the case of an employee, retirement, in each case only to the extent that the Option was exercisable at the time of termination, or within such other period, and subject to such terms and conditions as may be specified by the Committee. As used in this Section 9, "retirement"

means a termination of employment by reason of an optionee's retirement at or after the optionee's earliest permissible retirement date pursuant to and in accordance with regular retirement plan or personnel practices of the optionee's employer. Notwithstanding the provisions of Section 6(d)(iii) hereof, an Incentive Stock Option may be exercised more than three months after termination of employment due to retirement, as provided in this Section 9, but in that event, the Option shall lose its status as an Incentive Stock Option and shall be treated as a Nonqualified Stock Option.

10. General Restrictions. Each Option granted under this Plan shall be subject to the requirement that if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body, or (iii) an agreement by the recipient of an Option with respect to the disposition of shares of Common Stock is necessary or desirable as a condition of or in connection with the granting of such Option or the issuance or purchase of shares of Common Stock thereunder, such Option shall not be consummated in whole or in part unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Committee.

11. Non-Assignability. No Option granted under this Plan shall be assignable or transferable by the recipient thereof except by will or by the laws of descent and distribution or by such other means as the Committee may approve. During the life of the recipient, such Option shall be exercisable only by such person or by such person's guardian or legal representative.

12. Restricted Stock Awards. Awards of Restricted Stock under this Plan shall consist of shares of Common Stock, issued by the Company free of any purchase price or for such purchase price as shall be established by the Committee, that are restricted against transfer, subject to forfeiture or repurchase by the Company, and/or subject to other terms and conditions not inconsistent with this Plan. Each award of Restricted Stock shall be evidenced by a written restricted stock agreement in such form as the Committee shall approve from time to time, which agreement shall contain in substance the following terms and conditions:

(a) Restrictions. Shares of Restricted Stock awarded pursuant to this Plan (including securities received by holders thereof with respect to shares of Restricted Stock as a result of any stock dividend, stock split or other form of recapitalization) shall be subject to such terms, conditions and restrictions, including, without limitation, prohibitions against transfer, substantial risks of forfeiture or repurchase by the Company, attainment of Company or individual performance objectives and/or continuation of service requirements as shall be determined by the Committee. The restricted stock agreement shall specify the terms and conditions upon which any restrictions upon shares of Restricted Stock awarded under this Plan shall lapse, as determined by the Committee. Upon the lapse of such restrictions, the stock certificate(s) representing the shares of Common Stock comprising the Restricted Stock, free of the restrictive legend, shall be delivered to the grantee. The Committee shall have the power to permit, in its discretion, the removal of any restriction or the acceleration of the expiration of any applicable restriction period with respect to all or any part of the shares of Restricted Stock awarded under this Plan.

(b) Restrictions upon Transfer. No shares of Restricted Stock nor the right to vote such shares or to receive dividends thereon may be sold, assigned, transferred, exchanged, pledged, hypothecated or otherwise encumbered, except as herein provided, until all restrictions are terminated or lapse. Notwithstanding the foregoing, and except as otherwise provided in this Plan or determined by the Committee, a holder of Restricted Stock shall have all the other rights of a holder of Common Stock, including, but not limited to, the right to receive cash dividends and the right to vote such shares.

(c) Escrow. The Secretary of the Company or such other escrow holder as the Committee may appoint shall retain physical custody of each certificate representing shares of Restricted Stock until all of the restrictions imposed under the restricted stock agreement with respect to the shares evidenced by such certificate lapse or shall have been terminated.

(d) Stock Certificates. Each certificate issued in respect of Restricted Stock awarded under this Plan shall bear a legend in substantially the following form:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE PROVISIONS AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN AN AGREEMENT BETWEEN AGILE THERAPEUTICS, INC. AND THE REGISTERED HOLDER, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY."

(e) Termination of Services Prior to Lapse of Restrictions. In the event that a grantee of Restricted Stock shall no longer be an employee, director or consultant of the Company, as the case may be, prior to the lapse of the restrictions determined pursuant to Section 12(a), all shares of Restricted Stock as to which there still remain unlapsed restrictions shall be forfeited to the Company by such grantee without payment of any consideration by the Company, or shall subject to repurchase by the Company, as the Committee shall determine, and neither the grantee nor any successors, heirs, assigns, or personal representatives of such grantee shall thereafter have any further rights or interest in such shares.

13. Withholding. Whenever the Company proposes or is required to issue or transfer shares of Common Stock under this Plan, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements prior to the delivery of any certificate or certificates for such shares. If and to the extent authorized by the Committee, in its sole discretion, an optionee may make an election, by means of a form of election to be prescribed by the Committee, to have shares of Common Stock that are acquired upon exercise of an Option withheld by the Company or to tender other shares of Common Stock or other securities of the Company owned by the optionee to the Company at the time of exercise of an Option to pay the amount of tax that would otherwise be required by law to be withheld by the Company as a result of any exercise of an Option. Any such election shall be irrevocable and shall be subject to the disapproval of the Committee at any time. Any securities so withheld or tendered will be valued by the Committee as of the date of exercise.

14. Right To Terminate Services. Nothing contained in this Plan or in any agreement entered into pursuant to this Plan shall confer upon any participant the right to

continue in the service of the Company or any subsidiary or affect any right that the Company or any subsidiary may have to terminate the services of any participant.

15. Non-Uniform Determinations. The Committee's determinations under this Plan (including without limitation determinations of the persons to receive Options and Restricted Stock, the form, amount and timing of such awards, the terms and provisions of Options and Restricted Stock, and the agreements evidencing same) need not be uniform and may be made selectively among persons who receive, or are eligible to receive, grants of Options and awards of Restricted Stock under this Plan whether or not such persons are similarly situated.

16. Adjustments.

(a) Changes in Capitalization. Subject to any required action by the stockholders of the Company, the number of shares of Common Stock covered by each outstanding Option and the number of shares of Common Stock that have been authorized for issuance under this Plan but as to which no Options or Restrict Stock awards have yet been granted or which have been returned to this Plan upon cancellation or expiration of an Option or Restricted Stock award, as well as the price per share of Common Stock covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Option.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, all outstanding Options will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Committee. The Committee may, in the exercise of its discretion in such instances, declare that any Option shall terminate as of a date fixed by the Committee and give each Option holder the right to exercise his or her Option as to all or any part of the shares of Common Stock covered by the Option, including shares as to which the Option would not otherwise be exercisable.

(c) Sale or Merger. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, the Committee, in the exercise of its sole discretion, may take such action as it deems desirable, including, but not limited to: (i) causing an Option to be assumed or an equivalent option to be substituted by the successor corporation or a parent or subsidiary of such successor corporation, (ii) providing that an Option holder shall have the right to exercise the Option as to all of the shares of Common Stock covered by the Option, including shares as to which the Option would not otherwise be exercisable, or (iii) declaring that an Option shall terminate at a date fixed by

the Committee provided that the Option holder is given notice and opportunity to exercise the then exercisable portion of the Option prior to such date.

17. Amendment. The Board may terminate or amend this Plan at any time with respect to shares as to which Options and/or shares of Restricted Stock have not been awarded, subject to any required stockholder approval or any stockholder approval that the Board may deem to be advisable for any reason, such as for the purpose of obtaining or retaining any statutory or regulatory benefits under tax, securities or other laws or satisfying any applicable stock exchange listing requirements. The Board may not, without the consent of the holder of an Option or shares of Restricted Stock, alter or impair any Option or Restricted Stock award previously granted under this Plan, except as specifically authorized herein.

18. Conditions upon Issuance of Shares.

(a) Compliance with Securities Laws. Shares of the Company's Common Stock shall not be issued pursuant to the exercise of an Option or Restricted Stock award unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the Common Stock of the Company may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Option or the receipt of shares of Restricted Stock, the Company may require the participant to represent and warrant that the shares of Common Stock are being purchased only for investment and without any present intention to sell or distribute such shares.

19. Reservation of Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of shares as shall be sufficient to satisfy the requirements of this Plan. Inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained.

20. Effect on Other Plans. Participation in this Plan shall not affect a participant's eligibility to participate in any other benefit or incentive plan of the Company. Any Option grant or Restricted Stock award under this Plan shall not be used in determining the benefits provided under any other plan of the Company unless specifically provided.

21. Duration of This Plan. This Plan shall remain in effect until all restrictions applicable to Restricted Stock awards and all Options grants have been satisfied by the issuance of shares, but no Option shall be granted or Restricted Stock issued more than ten years after the earlier of the date this Plan is adopted by the Company or is approved by the Company's stockholders.

22. Forfeiture for Dishonesty. Notwithstanding anything to the contrary in this Plan, if the Committee finds, by a majority vote, after full consideration of the facts presented on

behalf of both the Company and any participant, that the participant has been engaged in fraud, embezzlement, theft, commission of a felony or dishonest conduct in the course of the optionee's employment or retention by the Company or any subsidiary that damaged the Company or any subsidiary or that the participant has disclosed trade secrets of the Company or any subsidiary, the participant shall forfeit all unexercised Options and all Restricted Stock for which the restrictions have not yet expired. The decision of the Committee in interpreting and applying the provisions of this Section 22 shall be final. No decision of the Committee, however, shall affect the finality of the discharge or termination of such optionee by the Company or any subsidiary in any manner.

23. No Prohibition on Corporate Action. No provision of this Plan shall be construed to prevent the Company or any officer or director from taking any corporate action deemed by the Company or such officer or director to be appropriate or in the Company's best interest, whether or not such action could have an adverse effect on this Plan or any Option grants or Restricted Stock awards hereunder, and no participant or participant's estate, personal representative or beneficiary shall have any claim against the Company or any officer or director as a result of the taking of such action.

24. Indemnification. With respect to the administration of this Plan, the Company shall indemnify each present and future member of the Committee and the Board against, and each member of the Committee and the Board shall be entitled without further action on the part of such person to indemnity from the Company for all expenses (including the amount of judgments and the amount of approved settlements made with a view to the curtailment of costs of litigation, other than amounts paid to the Company itself) reasonably incurred by such person in connection with or arising out of, any action, suit or proceeding in which such person may be involved by reason of such person's being or having been a member of the Committee and the Board, whether or not such person continues to be such member at the time of incurring such expenses; provided, however, that such indemnity shall not include any expenses incurred by any such member of the Committee or the Board (i) in respect of matters as to which such person shall be finally adjudged in any such action, suit or proceeding to have been guilty of gross negligence or willful misconduct in the performance of his or her duty as such member of the Committee or the Board; or (ii) in respect of any matter in which any settlement is effected for an amount in excess of the amount approved by the Company on the advice of its legal counsel; and provided further that no right of indemnification under the provisions set forth herein shall be available to or enforceable by any such member of the Committee and the Board unless, within 60 days after institution of any such action, suit or proceeding, such member shall have offered the Company in writing the opportunity to handle and defend the matter at its own expense. The foregoing right of indemnification shall inure to the benefit of the heirs, executors or administrators of each such member of the Committee and the Board and shall be in addition to all other rights to which such member may be entitled as a matter of law, contract or otherwise.

25. Miscellaneous Provisions.

(a) Compliance with Plan Provisions. No participant or other person shall have any right with respect to this Plan, the Common Stock reserved for issuance under this Plan or in any Option or Restricted Stock award until a written option or restricted stock agreement (as the case may be) shall have been executed by the Company and the participant and all the terms, conditions and provisions of this Plan and the Option applicable to such participant (and each person claiming under or through such participant) have been met.

(b) Approval of Counsel. In the discretion of the Committee, no shares of Common Stock, other securities or property of the Company, or other forms of payment shall be issued hereunder with respect to any Option or Restricted Stock award unless counsel for the Company shall be satisfied that such issuance will be in compliance with applicable federal, state, local and foreign legal, securities exchange and other applicable requirements.

(c) Compliance with Rule 16b-3. To the extent that Rule 16b-3 under the Exchange Act applies to this Plan or to Option grants or Restricted Stock awards under this Plan, it is the intention of the Company that this Plan comply in all respects with the requirements of Rule 16b-3, that any ambiguities or inconsistencies in construction of this Plan be interpreted to give effect to such intention and that, if this Plan shall not so comply, whether on the date of adoption or by reason of any later amendment to or interpretation of Rule 16b-3, the provisions of this Plan shall be deemed to be automatically amended so as to bring them into full compliance with such rule.

(d) Effects of Acceptance of Option. By accepting any Option, Restricted Stock or other benefit under this Plan, each participant and each person claiming under or through an participant shall be conclusively deemed to have indicated such person's acceptance and ratification of, and consent to, any action taken under this Plan by the Company, the Board and/or the Committee or its delegates.

(e) Construction. The masculine pronoun shall include the feminine and neuter, and the singular shall include the plural, where the context so indicates.

26. Stockholder Approval. The Company shall submit this Plan to the stockholders entitled to vote hereon for approval within twelve months after the date of adoption by the Board in order to meet the requirements of Section 422 of the Code and the regulations thereunder. The exercise of any Incentive Stock Option granted under this Plan shall be subject to the approval of this Plan by the stockholders.

Date of Adoption of Plan by Board of Directors - December 5, 1997.
Date of Approval of Plan by Stockholders - December 8, 1997.

Date of Adoption of Amendment by Board of Directors - February 7, 2001.
Date of Approval of Amendment by Stockholders - February 7, 2001.

Date of Adoption of Amendment by Board of Directors - July 15, 2003.
Date of Approval of Amendment by Stockholders - July 15, 2003.

Date of Adoption of Amendment by Board of Directors —January 20, 2004.
Date of Approval of Amendment by Stockholders — January 20, 2004.

Date of Adoption of Amendment by Board of Directors — May 27, 2004.
Date of Approval of Amendment by Stockholders — May 28, 2004.

Date of Adoption of Amendment by Board of Directors — May 8, 2006.
Date of Approval of Amendment by Stockholders — May 8, 2006.

INCENTIVE STOCK OPTION AGREEMENT

THIS AGREEMENT, effective as of , is made by and between Agile Therapeutics, Inc. (the "Company"), a Delaware corporation, and (the "Employee"), an employee of the Company.

RECITALS:

WHEREAS, the Company wishes to afford the Employee the opportunity to purchase shares of the Company's Common Stock; and

WHEREAS, the Company wishes to carry out the Company's Amended and Restated 1997 Equity Incentive Plan, as amended (the "Plan"), the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee (as hereinafter defined) has determined that it would be in the best interest of the Company to grant the incentive stock option provided for herein to the Employee as an incentive for increased efforts during the Employee's employment by the Company, subject to the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meanings specified below:

"Acquisition" shall mean (i) a consolidation or merger of the Company in a transaction in which the stockholders of the Company receive cash, securities or other consideration in exchange for their shares in the Company, or (ii) a sale, conveyance or disposition of all or substantially all of the assets of the Company to another person or persons as an entirety, as the result of which the stockholders of the Company receive cash, securities or other consideration, or (iii) the grant by the Company of an exclusive license to a third party with respect to all or a substantial portion of the assets of the Company in the United States, or (iv) the effectuation by the Company or its stockholders of a transaction or series of related transactions in which all or substantially all of the shares of the stockholders of the Company are disposed of in exchange for cash, securities or other consideration.

"Act" shall mean the Securities Act of 1933, as amended.

"Code" shall mean the Internal Revenue Code of 1986, as it may be hereafter amended.

"Committee" shall mean the Committee established in accordance with Section 2(a) of the Plan, if one has been appointed, or the Board of Directors of the Company if no such committee has been appointed.

"Common Stock" shall mean the Company's Common Stock, $.0001 par value.

"Option" shall mean the incentive stock option granted under this Agreement.

"Plan" shall mean the Agile Therapeutics, Inc. Amended and Restated 1997 Equity Incentive Plan.

"Stockholders Agreement" shall mean the Amended and Restated Stockholders Agreement dated as of May 11, 2006, as amended, among the Company and its stockholders or any subsequent Stockholders Agreement among the Company and its stockholders then in effect.

"Subsidiary" shall mean any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Termination of Employment" shall mean the time when the employee-employer relationship between the Employee and the Company or a Subsidiary is terminated for any reason, including, but not limited to, a termination by resignation, discharge, death or retirement, but excluding any termination where there is a simultaneous reemployment by the Company or a Subsidiary. The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Employment, including, but not limited to, the question of whether a Termination of Employment resulted from a discharge for cause, and all questions of whether a particular leave of absence constitutes a Termination of Employment; provided, however, that a leave of absence shall constitute a Termination of Employment if, and to the extent that, such leave of absence interrupts employment for purposes of Section 422(a)(2) of the Code and the then applicable Regulations and Revenue Rulings under said Section.

ARTICLE 2

GRANT OF OPTION

Section 2.1 - Grant of Option

In consideration of the Employee's employment by the Company and for other good and valuable consideration, on the date hereof the Company grants to the Employee the Option to purchase any part or all of a total of shares of the Company's Common Stock upon the terms and conditions set forth in this Agreement. The Option shall be subject in all respects to the provisions of this Agreement and of the Plan. The Option is intended to be an incentive stock option under Section 422 of the Code.

Section 2.2 - Purchase Price

The purchase price of the shares of Common Stock covered by the Option shall be $ per share.

Section 2.3 - Adjustments in Option

The number of shares subject to issuance upon exercise of the Option and the purchase price thereof are subject to adjustment in accordance with Section 16 of the Plan.

ARTICLE 3

EXERCISABILITY OF OPTIONS

Section 3.1 - Commencement of Exercisability

(a) Subject to the provisions of this Article 3, the Option shall vest and become exercisable as follows: .

(b) No portion of the Option that is not exercisable at the time of the Employee's Termination of Employment shall thereafter become exercisable.

Section 3.2 - Duration of Exercisability

Upon vesting, the installments provided for in Section 3.1 shall be cumulative. Each such installment that vests and becomes exercisable pursuant to Section 3.1 shall remain exercisable until it becomes unexercisable under Section 3.3.

Section 3.3 - Expiration of Option

The Option may not be exercised to any extent after the first to occur of the following events:

(a) The expiration of ten years from the date the Option was granted;

(b) The expiration of three months after the date of the Employee's Termination of Employment unless such Termination of Employment results from the Employee's retirement, death or disability (within the meaning of Section 22(e)(3) of the Code); or

(c) The expiration of one year from the date of the Employee's Termination of Employment by reason of the Employee's retirement, death or disability (within the meaning of Section 22(e)(3) of the Code).

Section 3.4 - Acceleration of Exercisability

If an Acquisition shall occur prior to the termination of the Option pursuant to Section 3.3, the Option shall vest in full and become immediately exercisable upon such Acquisition, irrespective of whether the Option, or any portion thereof, had yet become exercisable pursuant to Section 3.1.

ARTICLE 4

EXERCISE OF OPTION

Section 4.1 - Person Eligible to Exercise

During the lifetime of the Employee, only the Employee may exercise the Option or any portion thereof. After the death of the Employee, any portion of the Option that is exercisable on the date of the Employee's death may, prior to the time when the Option may no longer be exercised pursuant to the provisions of Section 3.2, be exercised by the Employee's personal representative or by any person empowered to do so under the Employee's will or under the then applicable laws of descent and distribution.

Section 4.2 - Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised at any time prior to the time when the Option or portion thereof may no longer be exercised pursuant to the provisions of Article 3; provided, however, that each partial exercise shall be for whole shares only.

Section 4.3 - Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company of all of the following prior to the time when the Option or such portion may no longer be exercised pursuant to the provisions of Article 3:

(a) Notice in writing signed by the Employee or the other person then entitled to exercise the Option, stating that the Option or a portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) (i) Full payment (in cash or by check) for the shares with respect to which the Option or portion is exercised; or

(ii) If the Committee shall so permit, shares of the Company's Common Stock owned by the Employee duly endorsed for transfer to the Company with a fair market value on the date of delivery equal to the aggregate purchase price of the shares with respect to which such Option or portion is exercised; or

(iii) If the Committee shall so permit, a combination of the consideration provided in the foregoing Sections 4.3(b)(i) and 4.3(b)(ii);

(c) A bona fide written representation and agreement in a form satisfactory to the Committee, signed by the Employee or other person then entitled to exercise such Option or portion, stating that the shares of Common Stock are being acquired for the Employee's own account, for investment and without any present intention of distributing or reselling said shares or any of them except as may be permitted under the Act and then applicable rules and regulations thereunder, and that the Employee or other person then entitled to exercise the Option or portion will indemnify the Company against and hold it free and harmless from any

loss, damage, expense or liability resulting to the Company if any sale or distribution of the shares by such person is contrary to the representation and agreement referred to above. The Committee may, in its absolute discretion, take whatever additional actions it deems appropriate to ensure the observance and performance of such representation and agreement and to effect compliance with the Act and any other federal or state securities laws or regulations. Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of the shares acquired upon the exercise of the Option does not violate the Act and may issue stop-transfer orders covering such shares. Share certificates evidencing Common Stock issued upon the exercise of the Option shall bear an appropriate legend referring to the provisions of this Section 4.3(c) and Section 5.2 and the agreements herein and therein. The written representation and agreement referred to in the first sentence of this Section 4.3(c) shall, however, not be required if the shares to be issued pursuant to such exercise have been registered under the Act and such registration is then effective in respect of such shares;

(d) A written Joinder to the Stockholders Agreement, as provided in Section 5.2 hereof; and

(e) In the event the Option or portion shall be exercised pursuant to Section 4.1 by any person other than the Employee, appropriate proof of the right of such person to exercise the Option.

Section 4.4 - Conditions to Issuance of Shares

The shares of Common Stock deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued shares or treasury shares. Such shares shall be fully paid and nonassessable. The Company shall not be required to issue any shares of Common Stock purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of stock shall then be listed;

(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

Section 4.5 - Rights as Stockholder

The holder of the Option shall not be, and shall not have any of the rights or privileges of, a stockholder of the Company in respect of any shares purchasable upon the exercise of any part of the Option unless and until such part of the Option is exercised in accordance with its terms.

ARTICLE 5

TRANSFER OF OPTIONS AND SHARES

Section 5.1 - Options Not Transferable

Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Employee or the Employee's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition shall be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.1 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 5.2 - Joinder to Stockholders Agreement

As a condition to the exercise of the Option or any portion thereof, the Employee or other person entitled to exercise the Option shall enter into a written Joinder to the Stockholders Agreement.

Section 5.3 - Stock Repurchase Rights

The Employee agrees that, if any shares of Common Stock purchased by the Employee upon the exercise of the Option shall be outstanding and owned by the Employee, the Employee's estate or any of the Employee's Permitted Transferees (as defined in the Stockholders Agreement) at the time of the Employee's Termination of Employment, upon receipt by the Employee of written notice from the Company given at any time during the one-year period after the Employee's Termination of Employment, the Employee, or the Employee's personal representative or Permitted Transferee, if applicable, shall be obligated to sell to the Company or its designee all or any portion of the shares of Common Stock of the Company owned by the Employee, the Employee's estate or any of the Employee's Permitted Transferees at the time of the Employee's Termination of Employment for a purchase price equal to the fair market value per share of such Common Stock, as determined in good faith by the Board of Directors of the Company. The purchase price shall be paid in cash at the closing. The closing of such purchase shall take place at the principal offices of the Company on the 30th day following the date of the Company's notice, or if that day is not a business day, then on the next business day. The provisions of this Section 5.3 shall survive the exercise of the Option.

Section 5.4 - Notification of Disposition

The Employee shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock acquired upon the exercise of the Option if such disposition or transfer is made (a) within two years from the date of granting the Option with respect to such shares or (b) within one year after the transfer of such shares to the Employee. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Employee in such disposition or other transfer.

Section 5.5 - Holdback Agreement

If the Company at any time shall register shares of Common Stock or other securities under the Act for sale to the public, the Employee agrees that, at the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Employee will not sell, make any short sale of, grant an option for the purchase of, loan, pledge or otherwise dispose of or encumber any shares of Common Stock purchased or purchasable upon the exercise of the Option without the prior written consent of the Company or the managing underwriter of the offering, as the case may be, for a period designated in writing to the Employee, which period shall not begin more than ten days prior to the effectiveness of the registration statement pursuant to which such public offer will be made and shall not last more than 180 days after the effective date of such registration statement. If so requested, the Employee will also enter into a separate written agreement to such effect in form and substance requested by the Company or the managing underwriter of the offering, as the case may be.

ARTICLE 6

MISCELLANEOUS

Section 6.1 - Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Employee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Option.

Section 6.2 - Withholding

All amounts that, under federal, state or local law, are required to be withheld from the amount payable with respect to any Option shall be withheld by the Company. Whenever the Company proposes or is required to issue or transfer shares of Common Stock, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements prior to the delivery of any certificate or certificates for such shares.

Section 6.3 - No Right of Continued Employment

Nothing contained in this Agreement or in the Plan shall confer upon the Employee any right to continue in the employ of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which are hereby expressly reserved, to discharge the Employee at any time for any reason whatsoever, with or without cause.

Section 6.4 - Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Employee shall be addressed to the Employee at the address given beneath the Employee's signature hereto. By a notice given pursuant to this Section 6.4, either party may hereafter designate a different address for notices to be given to such party. Any notice that is required to be given to the Employee shall, if the Employee is then deceased, be given to the Employee's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 6.4. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope and addressed as aforesaid, deposited (with postage prepaid) in the United States mail or sent by overnight courier (with charges prepaid).

Section 6.5 - Survival

Each provision of this Agreement that, by its terms, is intended to survive beyond the exercise of the Option shall continue in effect thereafter until such time as such term shall no longer apply.

Section 6.6 - Successors and Assigns

This Agreement shall inure to the successors and assigns of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by the Employee.

Section 6.7 - Entire Agreement

This Agreement and the Plan sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties regarding the Option.

Section 6.8 - Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

AGILE THERAPEUTICS, INC.

By: _____

Title: _____

Address of Employee:

Employee's Taxpayer
Identification Number:

AGILE THERAPEUTICS, INC

AMENDED AND RESTATED
2008 EQUITY INCENTIVE PLAN

The purpose of the Agile Therapeutics, Inc. Amended and Restated 2008 Equity Incentive Plan (this "Plan") is to provide (i) designated employees of Agile Therapeutics, Inc. (the "Company") and its parents and subsidiaries, (ii) certain consultants and advisors who perform services for the Company or its parents or subsidiaries and (iii) non-employee members of the Board of Directors of the Company (the "Board") with the opportunity to receive grants of incentive stock options, nonqualified stock options and stock awards. The Company believes that the Plan will encourage the participants to contribute materially to the growth of the Company, thereby benefitting the Company's stockholders, and will align the economic interests of the participants with those of the stockholders. All share information set forth in this Plan gives effect to the recapitalization of the Company's capital stock on December 30, 2009 and the recapitalization of the Company's capital stock on May 24, 2010.

1. Administration.

(a) Committee. This Plan shall be administered and interpreted by the Board or by a committee consisting of members of the Board, which shall be appointed by the Board. After an initial public offering of the Company's stock as described in Section 18(b) (a "Public Offering"), this Plan shall be administered by a committee of Board members, which may consist of "outside directors" as defined under section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and related Treasury regulations, and "non-employee directors" as defined under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). However, the Board may ratify or approve any grants as it deems appropriate, and the Board shall approve and administer all grants made to non-employee directors. The committee may delegate authority to one or more subcommittees as it deems appropriate. To the extent that a committee or subcommittee administers this Plan, references in this Plan to the "Board" shall be deemed to refer to the committee or subcommittee.

(b) Board Authority. The Board shall have the sole authority to (i) determine the individuals to whom grants shall be made under this Plan, (ii) determine the type, size and terms of the grants to be made to each such individual, (iii) determine the time when the grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend the terms of any previously issued grant, and (v) deal with any other matters arising under this Plan.

(c) Board Determinations. The Board shall have full power and authority to administer and interpret this Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing this Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Board's interpretations of this Plan and all determinations made by the Board pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder. All powers of the Board shall be executed in its sole discretion,

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in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of this Plan and need not be uniform as to similarly situated individuals.

(d) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Options (as defined in Section 2 below) to employees or officers of the Company or any of its present or future subsidiary corporations and to exercise such other powers under this Plan as the Board may determine, provided that the Board shall fix the terms of the Options to be granted by such officers (including the exercise price of such Options, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Options that the officers may grant; provided further, however, that no officer shall be authorized to grant Options to himself or herself.

2. Grants. Awards under this Plan may consist of grants of incentive stock options as described in Section 5 ("Incentive Stock Options"), nonqualified stock options as described in Section 5 ("Nonqualified Stock Options") (Incentive Stock Options and Nonqualified Stock Options are collectively referred to as "Options") and stock awards as described in Section 6 ("Stock Awards") (hereinafter collectively referred to as "Grants"). All Grants shall be subject to the terms and conditions set forth herein and to such other terms and conditions consistent with this Plan as the Board deems appropriate and as are specified in writing by the Board to the individual in a grant instrument or an amendment to the grant instrument (the "Grant Instrument"). All Grants shall be made conditional upon the Grantee's acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Board shall be final and binding on the Grantee, his or her beneficiaries and any other person having or claiming an interest under such Grant. The Board shall approve the form and provisions of each Grant Instrument. Grants under a particular Section of this Plan need not be uniform as among the grantees.

3. Shares Subject to This Plan.

(a) Shares Authorized. Subject to adjustment as described below, the aggregate number of shares of common stock of the Company ("Company Stock") that may be issued under this Plan is 1,147,919 shares, all of which may be granted as Incentive Stock Options; provided, that such number of shares shall automatically be increased to 1,347,919 shares upon the consummation of the "Second Closing" under the Series C Preferred Stock Purchase Agreement dated as of July 18, 2012 among the Company and the other parties listed therein. After a Public Offering, the maximum aggregate number of shares of Company Stock that shall be subject to Grants made under this Plan to any individual during any calendar year shall be 600,000 shares, all of which may be granted as Incentive Stock Options, subject to adjustment as described below. Shares issued under this Plan may be authorized but unissued shares of Company Stock or reacquired shares of Company Stock, including shares purchased by the Company on the open market for purposes of this Plan. If and to the extent Options granted under this Plan terminate, expire, or are canceled, forfeited, exchanged or surrendered without having been exercised or if any Stock Awards (including restricted Stock Awards received upon the exercise of Options) are forfeited, the shares subject to such Grants shall again be available for purposes of this Plan.

(b) Adjustments. If there is any change in the number or kind of shares of Company Stock outstanding (i) by reason of a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) by reason of a merger, reorganization or consolidation, (iii) by reason of a reclassification or change in par value, or (iv) by reason of any other extraordinary or unusual event affecting the outstanding Company Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Company Stock is substantially reduced as a result of a spinoff or the Company's payment of an extraordinary dividend or distribution, the maximum number of shares of Company Stock available for Grants, the maximum number of shares of Company Stock that any individual participating in this Plan may be granted in any year, the number of shares covered by outstanding Grants, the kind of shares issued under this Plan, and the price per share of such Grants shall be appropriately adjusted by the Board to reflect any increase or decrease in the number of, or change in the kind or value of, issued shares of Company Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under such Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated. Any adjustments determined by the Board shall be final, binding and conclusive.

4. Eligibility for Participation.

(a) Eligible Persons. All employees of the Company and its parents or subsidiaries ("Employees"), including Employees who are officers or members of the Board, and members of the Board who are not Employees ("Non-Employee Directors") shall be eligible to participate in this Plan. Consultants and advisors who perform services for the Company or any of its parents or subsidiaries ("Key Advisors") shall be eligible to participate in this Plan if the Key Advisors render bona fide services to the Company or its parents or subsidiaries, the services are not in connection with the offer and sale of securities in a capital-raising transaction, and the Key Advisors do not directly or indirectly promote or maintain a market for the Company's securities.

(b) Selection of Grantees. The Board shall select the Employees, Non-Employee Directors and Key Advisors to receive Grants and shall determine the number of shares of Company Stock subject to a particular Grant in such manner as the Board determines. Employees, Key Advisors and Non-Employee Directors who receive Grants under this Plan shall hereinafter be referred to as "Grantees."

5. Granting of Options.

(a) Number of Shares. The Board shall determine the number of shares of Company Stock that will be subject to each Grant of Options to Employees, Non-Employee Directors and Key Advisors.

(b) Type of Option and Price.

(i) The Board may grant Incentive Stock Options that are intended to qualify as "incentive stock options" within the meaning of section 422 of the Code or Nonqualified Stock Options that are not intended so to qualify or any combination of Incentive Stock Options and Nonqualified Stock Options, all in accordance with the terms and conditions set forth herein.

Incentive Stock Options may be granted only to employees of the Company or its parents or subsidiaries, as defined in Section 424 of the Code. Nonqualified Stock Options may be granted to Employees, Non-Employee Directors and Key Advisors.

(ii) The purchase price (the "Exercise Price") of Company Stock subject to an Option shall be determined by the Board and may be equal to or greater than the Fair Market Value (as defined below) of a share of Company Stock on the date the Option is granted; provided, however, that (x) the Exercise Price of an Incentive Stock Option shall be equal to, or greater than, the Fair Market Value of a share of Company Stock on the date the Incentive Stock Option is granted and (y) an Incentive Stock Option may not be granted to an Employee who, at the time of grant, owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or any parent or subsidiary of the Company, unless the Exercise Price per share is not less than 110% of the Fair Market Value of Company Stock on the date of grant.

(iii) If the Company Stock is publicly traded, then the Fair Market Value per share shall be determined as follows: (x) if the principal trading market for the Company Stock is a national securities exchange or the Nasdaq National Market, the last reported sale price thereof on the relevant date or (if there were no trades on that date) the latest preceding date upon which a sale was reported, or (y) if the Company Stock is not principally traded on such exchange or market, the mean between the last reported "bid" and "asked" prices of Company Stock on the relevant date, as reported on Nasdaq or, if not so reported, as reported by the National Daily Quotation Bureau, Inc. or as reported in a customary financial reporting service, as applicable and as the Board determines. If the Company Stock is not publicly traded or, if publicly traded, is not subject to reported transactions or "bid" or "asked" quotations as set forth above, the Fair Market Value per share shall be as determined by the Board.

(c) Option Term. The Board shall determine the term of each Option. The term of any Option shall not exceed ten years from the date of grant. However, an Incentive Stock Option that is granted to an Employee who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, or any parent or subsidiary of the Company, may not have a term that exceeds five years from the date of grant.

(d) Exercisability of Options.

(i) Options shall become exercisable in accordance with such terms and conditions, consistent with this Plan, as may be determined by the Board and specified in the Grant Instrument. The Board may accelerate the exercisability of any or all outstanding Options at any time for any reason.

(ii) The Board may provide in a Grant Instrument that the Grantee may elect to exercise part or all of an Option before it otherwise has become exercisable. Any shares so purchased shall be restricted shares and shall be subject to a repurchase right in favor of the Company during a specified restriction period, with the repurchase price equal to the lesser of (i) the Exercise Price or (ii) the Fair Market Value of such shares at the time of repurchase, or such other restrictions as the Board deems appropriate.

(e) Grants to Non-Exempt Employees. Notwithstanding the foregoing, Options granted to persons who are non-exempt employees under the Fair Labor Standards Act of 1938, as amended, shall have an Exercise Price not less than the Fair Market Value of the Company Stock on the date of grant, and may not be exercisable for at least six months after the date of grant (except that such Options may become exercisable, as determined by the Board, upon the Grantee's death, Disability or retirement, or upon a Change of Control or other circumstances permitted by applicable regulations).

(f) Termination of Employment, Disability or Death.

(i) Except as provided below, an Option may only be exercised while the Grantee is employed by, or providing service to, the Employer (as defined below) as an Employee, Key Advisor or member of the Board. In the event that a Grantee ceases to be employed by, or provide service to, the Employer for any reason other than Disability, death, or termination for Cause, any Option which is otherwise exercisable by the Grantee shall terminate unless exercised within 90 days after the date on which the Grantee ceases to be employed by, or provide service to, the Employer (or within such other period of time as may be specified by the Board), but in any event no later than the date of expiration of the Option term. Except as otherwise provided by the Board, any of the Grantee's Options that are not otherwise exercisable as of the date on which the Grantee ceases to be employed by, or provide service to, the Employer shall terminate as of such date.

(ii) In the event the Grantee ceases to be employed by, or provide service to, the Employer on account of a termination for Cause by the Employer, any Option held by the Grantee shall terminate as of the date the Grantee ceases to be employed by, or provide service to, the Employer. In addition, notwithstanding any other provisions of this Section 5, if the Board determines that the Grantee has engaged in conduct that constitutes Cause at any time while the Grantee is employed by, or providing service to, the Employer or after the Grantee's termination of employment or service, any Option held by the Grantee shall immediately terminate, and the Grantee shall automatically forfeit all shares underlying any exercised portion of an Option for which the Company has not yet delivered the share certificates, upon refund by the Company of the Exercise Price paid by the Grantee for such shares. Upon any exercise of an Option, the Company may withhold delivery of share certificates pending resolution of an inquiry that could lead to a finding resulting in a forfeiture.

(iii) In the event the Grantee ceases to be employed by, or provide service to, the Employer because the Grantee is Disabled, any Option which is otherwise exercisable by the Grantee shall terminate unless exercised within one year after the date on which the Grantee ceases to be employed by, or provide service to, the Employer (or within such other period of time as may be specified by the Board), but in any event no later than the date of expiration of the Option term. Except as otherwise provided by the Board, any of the Grantee's Options which are not otherwise exercisable as of the date on which the Grantee ceases to be employed by, or provide service to, the Employer shall terminate as of such date.

(iv) If the Grantee dies while employed by, or providing service to, the Employer or within 90 days after the date on which the Grantee ceases to be employed or provide service on account of a termination specified in Section 5(f)(i) above (or within such

other period of time as may be specified by the Board), any Option that is otherwise exercisable by the Grantee shall terminate unless exercised within one year after the date on which the Grantee ceases to be employed by, or provide service to, the Employer (or within such other period of time as may be specified by the Board), but in any event no later than the date of expiration of the Option term. Except as otherwise provided by the Board, any of the Grantee's Options that are not otherwise exercisable as of the date on which the Grantee ceases to be employed by, or provide service to, the Employer shall terminate as of such date.

(v) For purposes of this Section 5(f) and Section 6:

(A) The term "Employer" shall include the Company and its parent and subsidiary corporations or other entities, as appropriate and as determined by the Board.

(B) "Employed by, or provide service to, the Employer" shall mean employment or service as an Employee, Key Advisor or member of the Board (so that, for purposes of exercising Options and satisfying conditions with respect to Stock Awards, a Grantee shall not be considered to have terminated employment or service until the Grantee ceases to be an Employee, Key Advisor or member of the Board), unless the Board determines otherwise.

(C) "Disability" shall mean a Grantee's becoming disabled within the meaning of section 22(e)(3) of the Code, within the meaning of the Employer's long-term disability plan applicable to the Grantee, or as otherwise determined by the Board.

(D) "Cause" shall mean, except to the extent specified otherwise by the Board, a finding by the Board that the Grantee (i) has breached his or her employment or service contract with the Employer, (ii) has engaged in disloyalty to the Company, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty, (iii) has disclosed trade secrets or confidential information of the Employer to persons not entitled to receive such information, (iv) has breached any written noncompetition or nonsolicitation agreement between the Grantee and the Employer or (v) has engaged in such other behavior detrimental to the interests of the Employer as the Board determines.

(g) Exercise of Options. A Grantee may exercise an Option that has become exercisable, in whole or in part, by delivering a notice of exercise to the Company with payment of the Exercise Price. The Grantee shall pay the Exercise Price for an Option as specified by the Board (w) in cash, (x) with the approval of the Board, by delivering shares of Company Stock owned by the Grantee (including Company Stock acquired in connection with the exercise of an Option, subject to such restrictions as the Board deems appropriate) and having a Fair Market Value on the date of exercise equal to the Exercise Price or by attestation (on a form prescribed by the Board) to ownership of shares of Company Stock having a Fair Market Value on the date of exercise equal to the Exercise Price, (y) after a Public Offering, payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, or (z) by such other method as the Board may approve. The Board may authorize loans by the Company to Grantees in connection with the exercise of an Option, upon such terms and conditions as the Board, in its sole discretion, deems appropriate. Shares of Company Stock used to exercise an

Option shall have been held by the Grantee for the requisite period of time to avoid adverse accounting consequences to the Company with respect to the Option. The Grantee shall pay the Exercise Price and the amount of any withholding tax due (pursuant to Section 7) at the time of exercise.

(h) Limits on Incentive Stock Options. Each Incentive Stock Option shall provide that, if the aggregate Fair Market Value of the stock on the date of the grant with respect to which Incentive Stock Options are exercisable for the first time by a Grantee during any calendar year, under this Plan or any other stock option plan of the Company or a parent or subsidiary, exceeds $100,000, then the Option, as to the excess, shall be treated as a Nonqualified Stock Option. An Incentive Stock Option shall not be granted to any person who is not an Employee of the Company or a parent or subsidiary (within the meaning of section 424(f) of the Code) of the Company.

6. Stock Awards. The Board may issue shares of Company Stock to an Employee, Non-Employee Director or Key Advisor under a Stock Award, upon such terms as the Board deems appropriate. The following provisions are applicable to Stock Awards:

(a) General Requirements. Shares of Company Stock issued pursuant to Stock Awards may be issued for consideration or for no consideration, and subject to restrictions or no restrictions, as determined by the Board. The Board may establish conditions under which restrictions on Stock Awards shall lapse over a period of time or according to such other criteria as the Board deems appropriate. The period of time during which the Stock Award will remain subject to restrictions will be designated in the Grant Instrument as the "Restriction Period."

(b) Number of Shares. The Board shall determine the number of shares of Company Stock to be issued pursuant to a Stock Award and the restrictions applicable to such shares.

(c) Requirement of Employment or Service. If the Grantee ceases to be employed by, or provide service to, the Employer (as defined in Section 5(f)) during a period designated in the Grant Instrument as the Restriction Period, or if other specified conditions are not met, the Stock Award shall terminate as to all shares covered by the award as to which the restrictions have not lapsed, and those shares of Company Stock must be immediately returned to the Company. The Board may, however, provide for complete or partial exceptions to this requirement as it deems appropriate.

(d) Restrictions on Transfer and Legend on Stock Certificate. During the Restriction Period, a Grantee may not sell, assign, transfer, pledge or otherwise dispose of the shares of the Stock Award except to a successor under Section 8(a). Each certificate for Stock Awards shall contain a legend giving appropriate notice of the restrictions in the Grant. The Grantee shall be entitled to have the legend removed from the stock certificate covering the shares subject to restrictions when all restrictions on such shares have lapsed. The Board may determine that the Company will not issue certificates for Stock Awards until all restrictions on such shares have lapsed, or that the Company will retain possession of certificates for Stock Awards until all restrictions on such shares have lapsed.

(e) Right to Vote and to Receive Dividends. During the Restriction Period, the Grantee shall have the right to vote shares subject to Stock Awards and to receive any dividends or other distributions paid on such shares, subject to any restrictions deemed appropriate by the Board.

(f) Lapse of Restrictions. All restrictions imposed on Stock Awards shall lapse upon the expiration of the applicable Restriction Period and the satisfaction of all conditions imposed by the Board. The Board may determine, as to any or all Stock Awards, that the restrictions shall lapse without regard to any Restriction Period.

7. Withholding of Taxes.

(a) Required Withholding. All Grants under this Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Employer may require that the Grantee or other person receiving or exercising Grants pay to the Employer the amount of any federal, state or local taxes that the Employer is required to withhold with respect to such Grants, or the Employer may deduct from other wages paid by the Employer the amount of any withholding taxes due with respect to such Grants.

(b) Election to Withhold Shares. If the Board so permits, a Grantee may elect to satisfy the Employer's income tax withholding obligation with respect to a Grant by having shares withheld up to an amount that does not exceed the Grantee's minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities. The election must be in a form and manner prescribed by the Board and may be subject to the prior approval of the Board.

8. Transferability of Grants.

(a) Nontransferability of Grants. Except as provided below, only the Grantee may exercise rights under a Grant during the Grantee's lifetime. A Grantee may not transfer those rights except (i) by will or by the laws of descent and distribution or (ii) with respect to Grants other than Incentive Stock Options, if permitted in any specific case by the Board, pursuant to a domestic relations order or otherwise as permitted by the Board. When a Grantee dies, the personal representative or other person entitled to succeed to the rights of the Grantee may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Grantee's will or under the applicable laws of descent and distribution.

(b) Transfer of Nonqualified Stock Options. Notwithstanding the foregoing, the Board may provide, in a Grant Instrument, that a Grantee may transfer Nonqualified Stock Options to family members, or one or more trusts or other entities for the benefit of or owned by family members, consistent with applicable securities laws, according to such terms as the Board may determine; provided that the Grantee receives no consideration for the transfer of an Option and the transferred Option shall continue to be subject to the same terms and conditions as were applicable to the Option immediately before the transfer.

9. Right of First Refusal; Repurchase Right.

(a) Offer. Prior to a Public Offering, if at any time an individual desires to sell, encumber, or otherwise dispose of shares of Company Stock that were distributed to him or her under this Plan and that are transferable, the individual may do so only pursuant to a bona fide written offer, and the individual shall first offer the shares to the Company by giving the Company written notice disclosing: (i) the name of the proposed transferee of the Company Stock; (ii) the certificate number and number of shares of Company Stock proposed to be transferred or encumbered; (iii) the proposed price; (iv) all other terms of the proposed transfer; and (v) a written copy of the proposed offer. Within 60 days after receipt of such notice, the Company shall have the option to purchase all or part of such Company Stock at the price and on the terms described in the written notice; provided that the Company may pay such price in installments over a period not to exceed four years, at the discretion of the Board.

(b) Sale. In the event the Company (or a stockholder, as described below) does not exercise the option to purchase Company Stock, as provided above, the individual shall have the right to sell, encumber, or otherwise dispose of the shares of Company Stock described in subsection (a) at the price and on the terms of the transfer set forth in the written notice to the Company, provided such transfer is effected within 15 days after the expiration of the option period. If the transfer is not effected within such period, the Company must again be given an option to purchase, as provided above.

(c) Assignment of Rights. The Board, in its sole discretion, may waive the Company's right of first refusal and repurchase right under this Section 9. If the Company's right of first refusal or repurchase right is so waived, the Board may, in its sole discretion, assign such right to the remaining stockholders of the Company in the same proportion that each stockholder's stock ownership bears to the stock ownership of all the stockholders of the Company, as determined by the Board. To the extent that a stockholder has been given such right and does not purchase his or her allotment, the other stockholders shall have the right to purchase such allotment on the same basis.

(d) Purchase by the Company. Prior to a Public Offering, if a Grantee ceases to be employed by, or provide service to, the Employer, the Company shall have the right to purchase all or part of any Company Stock distributed to him or her under this Plan at its then current Fair Market Value (as defined in Section 5(b)) (or at such other price as may be established in the Grant Instrument); provided, however, that such repurchase shall be made in accordance with applicable accounting rules to avoid adverse accounting treatment.

(e) Public Offering. On and after a Public Offering, the Company shall have no further right to purchase shares of Company Stock under this Section 9.

(f) Stockholders Agreement. Notwithstanding the provisions of this Section 9, if the Board requires that a Grantee execute a Stockholders Agreement (or other agreement containing first refusal or repurchase rights) with respect to any Company Stock distributed pursuant to this Plan, such Grantee shall execute such Stockholders Agreement (or other such agreement) as a condition to retaining his or her rights to such Company Stock. If such Stockholders Agreement (or other such agreement) contains a right of first refusal or repurchase

right, the provisions of this Section 9 shall not apply to such Company Stock for as long as those provisions of the Stockholders Agreement (or other agreement) are in effect, unless the Board determines otherwise.

10. Change of Control of the Company.

(a) Definitions.

As used in this Plan, a "Change of Control" shall mean:

(i) any merger or consolidation in which voting securities of the Company possessing more than 50% of the total combined voting power of the Company's outstanding securities are Transferred to a person or persons different from the person holding those securities immediately prior to such transaction and the composition of the Board following such transaction is such that the directors of the Company prior to the transaction constitute less than 50% of the Board membership following the transaction;

(ii) any acquisition, directly or indirectly, by a person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than 50% of the total combined voting power of the Company's outstanding securities; provided, however, that, no Change of Control shall be deemed to occur by reason of the acquisition of additional shares of the Company's capital stock by an investor in the Company in a capital-raising transaction;

(iii) any acquisition, directly or indirectly, by a person or related group of persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;

(iv) any sale transfer or other disposition of all or substantially all of the assets of the Company; or

(v) a complete liquidation or dissolution of the Company.

As used in this Section 10, "Transfer" shall include any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of a security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntarily and whether or not for value, and including without limitation any merger or amalgamation and any agreement to effect any of the foregoing.

(b) Assumption of Grants. Upon a Change of Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Board determines otherwise, all outstanding Options that are not exercised shall be assumed by, or replaced with comparable options by the surviving corporation (or a parent or subsidiary of the surviving corporation), and outstanding Stock Awards shall be converted to Stock Awards of the surviving corporation (or a parent or subsidiary of the surviving corporation).

(c) Other Alternatives. Notwithstanding the foregoing, in the event of a Change of Control, the Board may take any of the following actions with respect to any or all outstanding Grants: the Board may (i) determine that outstanding Options shall accelerate and become exercisable, in whole or in part, upon the Change of Control or upon such other event as the Board determines, (ii) determine that the restrictions and conditions on outstanding Stock Awards shall lapse, in whole or in part, upon the Change of Control or upon such other event as the Board determines, (iii) require that Grantees surrender their outstanding Options in exchange for a payment by the Company, in cash or stock as determined by the Board, in an amount equal to the amount by which the then Fair Market Value of the shares of Company Stock subject to the Grantee's unexercised Options exceeds the Exercise Price of the Options or (iv) after giving Grantees an opportunity to exercise their outstanding Options, terminate any or all unexercised Options at such time as the Board deems appropriate. Such surrender or termination shall take place as of the date of the Change of Control or such other date as the Board may specify. The Board shall have no obligation to take any of the foregoing actions, and, in the absence of any such actions, outstanding Options and Stock Awards shall continue in effect according to their terms (subject to any assumption pursuant to subsection (b)).

11. Requirements for Issuance of Shares.

(a) Stockholders Agreement/Voting Agreement. The Board may require that a Grantee execute a stockholders agreement and/or a voting agreement, in each case, with such terms as the Board deems appropriate, with respect to any Company Stock issued pursuant to this Plan.

(b) Limitations on Issuance of Shares. No Company Stock shall be issued in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance of such Company Stock have been complied with to the satisfaction of the Board. The Board shall have the right to condition any Grant made to any Grantee hereunder on such Grantee's undertaking in writing to comply with such restrictions on his or her subsequent disposition of such shares of Company Stock as the Board shall deem necessary or advisable, and certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Company Stock issued under this Plan will be subject to such stop-transfer orders and other restrictions as may be required by applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon.

(c) Lock-Up Period. If so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any underwritten offering of securities of the Company under the Securities Act of 1933, as amended (the "Securities Act"), a Grantee (including any successor or assigns) shall not sell or otherwise transfer any shares or other securities of the Company during the 30-day period preceding and the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act for such underwriting (or such shorter period as may be requested by the Managing Underwriter and agreed to by the Company) (the "Market Standoff Period"). If so requested, the Grantee shall enter into a separate written agreement to such effect in form and substance requested by the Company or the Managing Underwriter. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period. Notwithstanding the foregoing, the Company may require that a

Grantee execute a Stockholders Agreement or other agreement containing lock-up provisions. If such Stockholders Agreement or other agreement contains any lock-up or market standoff provisions that differ from the provisions of this Section 11(c), for as long as the provisions of such other agreement are in effect, the provisions of this Section 11(c) shall not apply to such Company Stock, unless the Board determines otherwise.

12. Amendment and Termination of This Plan.

(a) Amendment. The Board may amend or terminate this Plan at any time; provided, however, that the Board shall not amend this Plan without stockholder approval if such approval is required in order to comply with the Code or other applicable laws, or, after a Public Offering, to comply with applicable stock exchange requirements.

(b) Termination of This Plan. This Plan shall terminate on the day immediately preceding the tenth anniversary of its effective date, unless this Plan is terminated earlier by the Board or is extended by the Board with the approval of the stockholders.

(c) Termination and Amendment of Outstanding Grants. A termination or amendment of this Plan that occurs after a Grant is made shall not materially impair the rights of a Grantee unless the Grantee consents or unless the Board acts under Section 18(b). The termination of this Plan shall not impair the power and authority of the Board with respect to an outstanding Grant. Whether or not this Plan has terminated, an outstanding Grant may be terminated or amended under Section 18(b) or may be amended by agreement of the Company and the Grantee consistent with this Plan.

(d) Governing Document. This Plan shall be the controlling document. No other statements, representations, explanatory materials or examples, oral or written, may amend this Plan in any manner. This Plan shall be binding upon and enforceable against the Company and its successors and assigns.

13. Funding of This Plan. This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under this Plan. In no event shall interest be paid or accrued on any Grant, including unpaid installments of Grants.

14. Rights of Participants. Nothing in this Plan shall entitle any Employee, Key Advisor, Non-Employee Director or other person to any claim or right to be granted a Grant under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employ of the Employer or any other employment rights.

15. No Fractional Shares. No fractional shares of Company Stock shall be issued or delivered pursuant to this Plan or any Grant. The Board shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

16. Headings. Section headings are for reference only. In the event of a conflict between a title and the content of a Section, the content of the Section shall control.

17. Effective Date of This Plan.

(a) Effective Date. The effective date of the original 2008 Equity Incentive Plan was April 24, 2008. This Plan shall be effective on December 30, 2009.

(b) Public Offering. The provisions of this Plan that refer to a Public Offering, or that refer to, or are applicable to persons subject to, section 16 of the Exchange Act or section 162(m) of the Code, shall be effective, if at all, upon the initial registration of the Company Stock under section 12(g) of the Exchange Act, and shall remain effective thereafter for as long as such stock is so registered.

18. Miscellaneous.

(a) Grants in Connection with Corporate Transactions and Otherwise. Nothing contained in this Plan shall be construed to (i) limit the right of the Board to make Grants under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or for other proper corporate purposes, or (ii) limit the right of the Company to grant stock options or make other awards outside of this Plan. Without limiting the foregoing, the Board may make a Grant to an employee of another corporation who becomes an Employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company, the Parent or any of their subsidiaries in substitution for a stock option or Stock Awards grant made by such corporation. The terms and conditions of the substitute grants may vary from the terms and conditions required by this Plan and from those of the substituted stock incentives. The Board shall prescribe the provisions of the substitute grants.

(b) Compliance with Law. This Plan, the exercise of Options and the obligations of the Company to issue shares of Company Stock under Grants shall be subject to all applicable laws and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to section 16 of the Exchange Act, after a Public Offering it is the intent of the Company that this Plan and all transactions under this Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that this Plan and applicable Grants under this Plan comply with the applicable provisions of section 162(m) of the Code, after a Public Offering, and section 422 of the Code. To the extent that any legal requirement of section 16 of the Exchange Act or section 162(m) or 422 of the Code as set forth in this Plan ceases to be required under section 16 of the Exchange Act or section 162(m) or 422 of the Code, that Plan provision shall cease to apply. The Board may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. The Board may also adopt rules regarding the withholding of taxes on payments to Grantees. The Board may, in its sole discretion, agree to limit its authority under this Section.

(c) Employees Subject to Taxation Outside the United States. With respect to Grantees who are subject to taxation in countries other than the United States, the Board may make Grants on such terms and conditions as the Board deems appropriate to comply with the laws of the applicable countries, and the Board may create such procedures, addenda and

subplans and make such modifications as may be necessary or advisable to comply with such laws.

(d) Governing Law. The validity, construction, interpretation and effect of this Plan and Grant Instruments issued under this Plan shall be governed and construed by and determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

Effective Date of 2008 Equity Incentive Plan: April 24, 2008

Effective Date of amendment and restatement of 2008 Equity Incentive Plan: December 30, 2009

Effective Date of second amendment and restatement of 2008 Equity Incentive Plan: May 24, 2010

Effective Date of third amendment and restatement of 2008 Equity Incentive Plan: July 17, 2012

Effective Date of fourth amendment and restatement of 2008 Equity Incentive Plan: December 6, 2012

NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT, effective as of , is made by and between Agile Therapeutics, Inc. (the "Company"), a Delaware corporation, and (the "Optionee), a consultant to the Company.

RECITALS:

WHEREAS, the Company wishes to afford the Optionee the opportunity to purchase shares of the Company's Common Stock; and

WHEREAS, the Company wishes to carry out the Company's Amended and Restated 2008 Equity Incentive Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee (as hereinafter defined) has determined that it would be in the best interest of the Company to grant the nonqualified stock option provided for herein to the Optionee as an incentive for increased efforts during the Optionee's service to the Company, subject to the execution and delivery of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meanings specified below.

"Act" shall mean the Securities Act of 1933, as amended.

"Change of Control" shall have the meaning set forth in Section 10 of the Plan.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Committee established in accordance with Section 1(a) of the Plan, if one has been appointed, or the Board of Directors of the Company if no such committee has been appointed.

"Common Stock" shall mean the Company's Common Stock, $.0001 par value.

"Option" shall mean the nonqualified stock option to purchase Common Stock granted under this Agreement. No portion of the Option is intended to be an incentive stock option within the meaning of Section 422A of the Code.

"Plan" shall mean the Agile Therapeutics, Inc. Amended and Restated 2008 Equity Incentive Plan.

"Stockholders Agreement" shall mean the Fifth Amended and Restated Stockholders Agreement dated as of July 18, 2012 among the Company and its stockholders, as it may be amended from time to time, or any subsequent stockholders agreement among the Company and its stockholders then in effect.

"Termination of Service" shall mean the time when the Optionee ceases to provide services to the Company for any reason.

ARTICLE 2
GRANT OF OPTION

Section 2.1 - Grant of Option

Effective as of the date hereof, the Company grants to the Optionee the Option to purchase any part or all of a total of shares of Common Stock upon the terms and conditions set forth in this Agreement. The Option shall be subject in all respects to the provisions of this Agreement and the Plan.

Section 2.2 - Purchase Price

The purchase price of the shares of Common Stock covered by the Option shall be $ per share.

Section 2.3 - Adjustments in Option

The number of shares subject to issuance upon exercise of the Option and purchase price thereof are subject to adjustment in accordance with Section 3(b) of the Plan.

ARTICLE 3
EXERCISABILITY OF OPTION

Section 3.1 - Commencement of Exercisability

(a) Subject to the provisions of this Article 3, the Option shall vest and become exercisable as follows: .

(b) No portion of the Option that is not exercisable at the time of the Optionee's Termination of Service shall thereafter become exercisable.

Section 3.2 - Duration of Exercisability

Upon vesting, the installments provided for in Section 3.1 shall be cumulative. Each such installment that vests and becomes exercisable pursuant to Section 3.1 shall remain exercisable until it becomes unexercisable under Section 3.3.

Section 3.3 - Expiration of Option

The Option may not be exercised to any extent after the first to occur of the following events:

(a) The expiration of ten years from the date the Option was granted;

(b) The expiration of three months after the date of the Optionee's Termination of Service unless such Termination of Service results from the Optionee's death; or

(c) The expiration of one year from the date of the Optionee's Termination of Service by reason of the Optionee's death.

Section 3.4 - Acceleration of Exercisability

If a Change of Control shall occur prior to the earlier of (a) the Optionee's Termination of Service or (b) termination of the Option pursuant to Section 3.3, the Option shall vest in full and become immediately exercisable upon such Change of Control, irrespective of whether the Option, or any portion thereof, had yet become exercisable pursuant to Section 3.1.

ARTICLE 4
EXERCISE OF OPTION

Section 4.1 - Person Eligible to Exercise

During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of the Option that is exercisable on the date of the Optionee's death may be exercised by the Optionee's personal representative or by any person empowered to do so under the Optionee's will or under the then applicable laws of descent and distribution.

Section 4.2 - Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof may no longer be exercised in whole or in part pursuant to the provisions of Article 3; provided, however, that each partial exercise shall be for whole shares only.

Section 4.3 - Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company of all of the following prior to the time when the Option or such portion may no longer be exercised pursuant to the provisions of Article 3:

(a) Notice in writing signed by the Optionee or the other person then entitled to exercise the Option, stating that the Option or a portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) Full payment (in cash or by check) for the shares with respect to which the Option or portion is exercised;

(c) A bona fide written representation and agreement in a form satisfactory to the Committee, signed by the Optionee or other person then entitled to exercise the Option or portion, stating that the shares of Common Stock are being acquired for the Optionee's own account, for investment and without any present intention of distributing or reselling said shares or any of them except as may be permitted under the Act, and then applicable rules and regulations thereunder, and that the Optionee or other person then entitled to exercise the Option or portion will indemnify the Company against and hold it free and harmless from any loss, damage, expense or liability resulting to the Company if any sale or distribution of the shares by such person is contrary to the representation and agreement referred to above. The Committee may, in its absolute discretion, take whatever additional actions it deems appropriate to ensure the observance and performance of such representation and agreement and to effect compliance with the Act and any other federal or state securities laws or regulations. Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of the shares acquired upon the exercise of the Option does not violate the Act, and may issue stop-transfer orders covering such shares. Share certificates evidencing Common Stock issued upon the exercise of the Option shall bear an appropriate legend referring to the provisions of this Section 4.3(c) and Section 5.2 and the agreements herein and therein. The written representation and agreement referred to in the first sentence of this Section 4.3(c) shall, however, not be required if the shares to be issued pursuant to such exercise have been registered under the Act, and such registration is then effective in respect of such shares;

(d) A written Joinder to the Stockholders Agreement as provided in Section 5.2 hereof; and

(e) In the event the Option or portion shall be exercised pursuant to Section 4.1 by any person other than the Optionee, appropriate proof of the right of such person to exercise the Option.

Section 4.4 - Conditions to Issuance of Shares

The shares of Common Stock deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued shares or treasury shares. Such shares shall be fully paid and nonassessable. The Company shall not be required to issue any shares of Common Stock purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of stock shall then be listed;

(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

Section 4.5 - Rights as Stockholder

The holder of the Option shall not be, and shall not have any of the rights or privileges of, a stockholder of the Company in respect of any shares purchasable upon the exercise of any part of the Option unless and until such part of the Option is exercised in accordance with its terms.

ARTICLE 5
TRANSFER OF OPTIONS AND SHARES

Section 5.1 - Option Not Transferable

Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee or the Optionee's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition shall be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.1 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 5.2 - Joinder to Stockholders Agreement

As a condition to the exercise of the Option or any portion thereof, the Optionee or other person entitled to exercise the Option shall enter into a written Joinder, in a form acceptable to the Company, to the Stockholders Agreement.

Section 5.3 - Holdback Agreement

If the Company at any time shall register shares of Common Stock or other securities under the Act for sale to the public, the Optionee agrees that, at the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Optionee will not sell, make any short sale of, grant an option for the purchase of, loan, pledge or otherwise dispose of or encumber any shares of Common Stock purchased or purchasable upon the exercise of the Option without the prior written consent of the Company or the managing underwriter of the offering, as the case may be, for a period designated in writing to the Optionee, which period shall not begin more than ten days prior to the effective date of the registration statement pursuant to which such public offer will be made and shall not last more than 180 days after the effective date of such registration statement. If so requested, the Optionee will also enter into a separate written agreement to such effect in form and substance requested by the Company or the managing underwriter of the offering, as the case may be.

ARTICLE 6
MISCELLANEOUS

Section 6.1 - Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Optionee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Option.

Section 6.2 - Withholding

All amounts that, under federal, state or local law, are required to be withheld from the amount payable with respect to any Option shall be withheld by the Company. Whenever the Company proposes or is required to issue or transfer shares of Common Stock, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements prior to the delivery of any certificate or certificates for such shares.

Section 6.3 - No Right of Continued Service

Nothing contained in this Agreement or in the Plan shall confer upon the Optionee any right to continue to provide services to the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to terminate the service of the Optionee at any time for any reason whatsoever, with or without cause.

Section 6.4 - Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Optionee shall be addressed to the Optionee at the address given beneath the Optionee's signature hereto. By a notice given pursuant to this Section 6.4, either party may hereafter designate a different address for notices to be given to such party. Any notice that is required to be given to the Optionee shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of such representative's status and address by written notice under this Section 6.4. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope and addressed as aforesaid, deposited (with postage prepaid) in the United States mail, or sent by overnight courier (with charges prepaid).

Section 6.5 - Survival

Each provision of this Agreement that, by its terms, is intended to survive beyond the exercise of the Option shall continue in effect thereafter until such time as such term shall no longer apply.

Section 6.6 - Successors and Assigns

This Agreement shall inure to the successors and assigns of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by the Optionee.

Section 6.7 - Entire Agreement

This Agreement and the Plan sets forth the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings between the parties regarding the Option.

Section 6.8 - Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 6.9 - Counterparts; Delivery

This Agreement may be executed by the parties on separate counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same agreement. Executed counterparts of this Agreement may be delivered by electronic or facsimile transmission with the same effect as if delivered personally.

(Signature page follows.)

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

AGILE THERAPEUTICS, INC.

By: _____
Al Altomari,
President

Optionee's Address:

Optionee's Taxpayer
Identification Number:

INCENTIVE STOCK OPTION AGREEMENT

THIS AGREEMENT, effective as of , is made by and between Agile Therapeutics, Inc. (the "Company"), a Delaware corporation, and (the "Employee"), an employee of the Company.

RECITALS:

WHEREAS, the Company wishes to afford the Employee the opportunity to purchase shares of the Company's Common Stock; and

WHEREAS, the Company wishes to carry out the Company's Amended and Restated 2008 Equity Incentive Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee (as hereinafter defined) has determined that it would be in the best interest of the Company to grant the incentive stock option provided for herein to the Employee as an incentive for increased efforts during the Employee's employment by the Company, subject to the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meanings specified below:

"Act" shall mean the Securities Act of 1933, as amended.

"Change of Control" shall have the meaning set forth in Section 10 of the Plan.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Committee established in accordance with Section 2(a) of the Plan, if one has been appointed, or the Board of Directors of the Company if no such committee has been appointed.

"Common Stock" shall mean the Company's Common Stock, $.0001 par value.

"Option" shall mean the incentive stock option granted under this Agreement.

"Plan" shall mean the Agile Therapeutics, Inc. Amended and Restated 2008 Equity Incentive Plan.

"Stockholders Agreement" shall mean the Fifth Amended and Restated Stockholders Agreement dated as of July 18, 2012 among the Company and its stockholders, as it may be amended from time to time, or any subsequent stockholders agreement among the Company and its stockholders then in effect.

"Subsidiary" shall mean any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain then owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Termination of Employment" shall mean the time when the employee-employer relationship between the Employee and the Company or a Subsidiary is terminated for any reason, including, but not limited to, a termination by resignation, discharge, death or retirement, but excluding any termination where there is a simultaneous reemployment by the Company or a Subsidiary. The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Employment, including, but not limited to, the question of whether a Termination of Employment resulted from a discharge for cause, and all questions of whether a particular leave of absence constitutes a Termination of Employment; provided, however, that a leave of absence shall constitute a Termination of Employment if, and to the extent that, such leave of absence interrupts employment for purposes of Section 422(a)(2) of the Code and the then applicable Regulations and Revenue Rulings under said Section.

ARTICLE 2
GRANT OF OPTION

Section 2.1 - Grant of Option

In consideration of the Employee's employment by the Company and for other good and valuable consideration, effective as of the date hereof, the Company grants to the Employee the Option to purchase any part or all of a total of «Shares» shares of the Company's Common Stock upon the terms and conditions set forth in this Agreement. The Option shall be subject in all respects to the provisions of this Agreement and the Plan. The Option is intended to be an incentive stock option under Section 422 of the Code.

Section 2.2 - Purchase Price

The purchase price of the shares of Common Stock covered by the Option shall be $ per share.

Section 2.3 - Adjustments in Option

The number of shares subject to issuance upon exercise of the Option and the purchase price thereof are subject to adjustment in accordance with Section 3(b) of the Plan.

ARTICLE 3
EXERCISABILITY OF OPTION

Section 3.1 - Commencement of Exercisability

(a) Subject to the provisions of this Article 3, the Option shall vest and become exercisable as follows: .

(b) No portion of the Option that is not exercisable at the time of the Employee's Termination of Employment shall thereafter become exercisable.

Section 3.2 - Duration of Exercisability

Upon vesting, the installments provided for in Section 3.1 shall be cumulative. Each such installment that vests and becomes exercisable pursuant to Section 3.1 shall remain exercisable until it becomes unexercisable under Section 3.3.

Section 3.3 - Expiration of Option

The Option may not be exercised to any extent after the first to occur of the following events:

(a) The expiration of ten years from the date the Option was granted;

(b) The expiration of three months after the date of the Employee's Termination of Employment unless such Termination of Employment results from the Employee's retirement, death or disability (within the meaning of Section 22(e)(3) of the Code); or

(c) The expiration of one year from the date of the Employee's Termination of Employment by reason of the Employee's retirement, death or disability (within the meaning of Section 22(e)(3) of the Code), provided that, in the event that the Option shall be exercised more than three months after termination of employment due to retirement, the Option shall lose its status as an incentive stock option and shall be treated as a nonqualified stock option.

Section 3.4 - Acceleration of Exercisability

If a Change of Control shall occur prior to the earlier to occur of (a) the Employee's Termination of Employment or (b) the termination of the Option pursuant to Section 3.3, the Option shall vest in full and become immediately exercisable upon such Change of Control, irrespective of whether the Option, or any portion thereof, had yet become exercisable pursuant to Section 3.1.

ARTICLE 4
EXERCISE OF OPTION

Section 4.1 - Person Eligible to Exercise

During the lifetime of the Employee, only the Employee may exercise the Option or any portion thereof. After the death of the Employee, any portion of the Option that is exercisable on

the date of the Employee's death may, prior to the time when the Option may no longer be exercised pursuant to the provisions of Section 3.2, be exercised by the Employee's personal representative or by any person empowered to do so under the Employee's will or under the then applicable laws of descent and distribution.

Section 4.2 - Partial Exercise

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof may no longer be exercised in whole or in part pursuant to the provisions of Article 3; provided, however, that each partial exercise shall be for whole shares only.

Section 4.3 - Manner of Exercise

The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company of all of the following prior to the time when the Option or such portion may no longer be exercised pursuant to the provisions of Article 3:

(a) Notice in writing signed by the Employee or the other person then entitled to exercise the Option, stating that the Option or a portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) (i) Full payment (in cash or by check) for the shares with respect to which the Option or portion is exercised; or

(ii) If the Committee shall so permit, shares of the Company's Common Stock owned by the Employee duly endorsed for transfer to the Company with a fair market value on the date of delivery equal to the aggregate purchase price of the shares with respect to which such Option or portion is exercised; or

(iii) If the Committee shall so permit, a combination of the consideration provided in the foregoing Sections 4.3(b)(i) and 4.3(b)(ii);

(c) A bona fide written representation and agreement in a form satisfactory to the Committee, signed by the Employee or other person then entitled to exercise such Option or portion, stating that the shares of Common Stock are being acquired for the Employee's own account, for investment and without any present intention of distributing or reselling said shares or any of them except as may be permitted under the Act and then applicable rules and regulations thereunder, and that the Employee or other person then entitled to exercise the Option or portion will indemnify the Company against and hold it free and harmless from any loss, damage, expense or liability resulting to the Company if any sale or distribution of the shares by such person is contrary to the representation and agreement referred to above. The Committee may, in its absolute discretion, take whatever additional actions it deems appropriate to ensure the observance and performance of such representation and agreement and to effect compliance with the Act and any other federal or state securities laws or regulations. Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of the shares acquired upon the exercise of the Option does not violate the Act and may issue stop-transfer orders covering such shares.

Share certificates evidencing Common Stock issued upon the exercise of the Option shall bear an appropriate legend referring to the provisions of this Section 4.3(c) and Section 5.2 and the agreements herein and therein. The written representation and agreement referred to in the first sentence of this Section 4.3(c) shall, however, not be required if the shares to be issued pursuant to such exercise have been registered under the Act and such registration is then effective in respect of such shares;

(d) A written Joinder to the Stockholders Agreement, as provided in Section 5.2 hereof; and

(e) In the event the Option or portion shall be exercised pursuant to Section 4.1 by any person other than the Employee, appropriate proof of the right of such person to exercise the Option.

Section 4.4 - Conditions to Issuance of Shares

The shares of Common Stock deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued shares or treasury shares. Such shares shall be fully paid and nonassessable. The Company shall not be required to issue any shares of Common Stock purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of stock shall then be listed;

(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

Section 4.5 - Rights as Stockholder

The holder of the Option shall not be, and shall not have any of the rights or privileges of, a stockholder of the Company in respect of any shares purchasable upon the exercise of any part of the Option unless and until such part of the Option is exercised in accordance with its terms.

ARTICLE 5
TRANSFER OF OPTIONS AND SHARES

Section 5.1 - Option Not Transferable

Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Employee or the Employee's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition shall be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.1 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 5.2 - Joinder to Stockholders Agreement

As a condition to the exercise of the Option or any portion thereof, the Employee or other person entitled to exercise the Option shall enter into a written Joinder, in a form acceptable to the Company, to the Stockholders Agreement.

Section 5.3 - Stock Repurchase Rights

The Employee agrees that, if any shares of Common Stock purchased by the Employee upon the exercise of the Option shall be outstanding and owned by the Employee, the Employee's estate or any of the Employee's Permitted Transferees (as defined in the Stockholders Agreement) at the time of the Employee's Termination of Employment, upon receipt by the Employee of written notice from the Company given at any time during the one-year period after the Employee's Termination of Employment, the Employee, or the Employee's personal representative or Permitted Transferee, if applicable, shall be obligated to sell to the Company or its designee all or any portion of the shares of Common Stock of the Company owned by the Employee, the Employee's estate or any of the Employee's Permitted Transferees at the time of the Employee's Termination of Employment for a purchase price equal to the fair market value per share of such Common Stock, as determined in good faith by the Board of Directors of the Company. The purchase price shall be paid in cash at the closing. The closing of such purchase shall take place at the

principal offices of the Company on the 30th day following the date of the Company's notice, or if that day is not a business day, then on the next business day. The provisions of this Section 5.3 shall survive the exercise of the Option.

Section 5.4 - Notification of Disposition

The Employee shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock acquired upon the exercise of the Option if such disposition or transfer is made (a) within two years from the date of granting the Option with respect to such shares or (b) within one year after the transfer of such shares to the Employee. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Employee in such disposition or other transfer.

Section 5.5 - Holdback Agreement

If the Company at any time shall register shares of Common Stock or other securities under the Act for sale to the public, the Employee agrees that, at the request of the Company or the underwriters managing any underwritten offering of the Company's securities, the Employee will not sell, make any short sale of, grant an option for the purchase of, loan, pledge or otherwise dispose of or encumber any shares of Common Stock purchased or purchasable upon the exercise of the Option without the prior written consent of the Company or the managing underwriter of the offering, as the case may be, for a period designated in writing to the Employee, which period shall not begin more than ten days prior to the effective date of the registration statement pursuant to which such public offer will be made and shall not last more than 180 days after the effective date of such registration statement. If so requested, the Employee will also enter into a separate written agreement to such effect in form and substance requested by the Company or the managing underwriter of the offering, as the case may be.

ARTICLE 6
MISCELLANEOUS

Section 6.1 - Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Employee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Option.

Section 6.2 - Withholding

All amounts that, under federal, state or local law, are required to be withheld from the amount payable with respect to any Option shall be withheld by the Company. Whenever the Company proposes or is required to issue or transfer shares of Common Stock, the Company shall have the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements prior to the delivery of any certificate or certificates for such shares.

Section 6.3 - No Right of Continued Employment

Nothing contained in this Agreement or in the Plan shall confer upon the Employee any right to continue in the employ of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which are hereby expressly reserved, to discharge the Employee at any time for any reason whatsoever, with or without cause.

Section 6.4 - Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Employee shall be addressed to the Employee at the address given beneath the Employee's signature hereto. By a notice given pursuant to this Section 6.4, either party may hereafter designate a different address for notices to be given to such party. Any notice that is required to be given to the Employee shall, if the Employee is then deceased, be given to the Employee's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 6.4. Any notice shall have been deemed duly given when deposited (with postage prepaid) in the United States mail or sent by overnight courier (with charges prepaid).

Section 6.5 - Survival

Each provision of this Agreement that, by its terms, is intended to survive beyond the exercise of the Option shall continue in effect thereafter until such time as such term shall no longer apply.

Section 6.6 - Successors and Assigns

This Agreement shall inure to the successors and assigns of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by the Employee.

Section 6.7 - Entire Agreement

This Agreement and the Plan sets forth the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings between the parties regarding the Option.

Section 6.8 - Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 6.9 - Counterparts

This Agreement may be executed by the parties on separate counterparts, each of which shall be deemed an original and both of which shall together constitute one and the same agreement.

(Signature page follows.)

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

AGILE THERAPEUTICS, INC.

By: _____
Al Altomari
President

Address of Employee:

Employee's Taxpayer
Identification Number:

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of October 11, 2010, by and between AGILE THERAPEUTICS, INC., a Delaware corporation (the "Company"), and AL ALTOMARI, an individual residing at 8 Yeger Drive, Lawrenceville, NJ 08648 (the "Executive"), collectively referred to as the "parties."

Recitals:

The Company desires to employ the Executive and to have the benefit of his skills and services, and the Executive desires to accept employment with the Company, on the terms and conditions set forth herein.

In consideration of the mutual promises, covenants, and conditions set forth in this Agreement, the parties agree as follows:

SECTION 1. EMPLOYMENT

a. Position. The Company wishes to employ the Executive as the Chief Executive Officer ("CEO") of the Company, and the Executive hereby agrees to continue in the position of CEO for the term of this Agreement and to perform those duties and responsibilities as shall be assigned to the Executive by the Board of Directors of the Company (the "Board") and that are consistent with the Executive's position as CEO.

b. The Executive's Commitment. The Executive shall consider his employment by the Company as his principal employment, shall devote his full working time and attention to his duties and responsibilities under this Agreement, and shall perform them to the best of his abilities. While subject to any provision of this Agreement, the Executive shall maintain loyalty to the Company and shall take no action that would directly or indirectly promote any competitor or injure the Company's interests. Subject to the foregoing, the Executive may engage in other business activities to the extent that they do not interfere with his obligations under this Agreement, provided that each of those activities is first disclosed to and approved by the Board. Schedule A to this Agreement contains a list of the other business activities in which the Executive is currently engaged and, to the extent applicable, the dates by which certain of those activities will be terminated.

SECTION 2. TERMINATION OF EMPLOYMENT

a. Term. The Executive's employment with the Company shall commence on the date hereof and shall continue until terminated in accordance with Section 2b, 2c, 2d or 2e hereof.

b. Termination for "Reasonable Cause." The Executive's employment may be terminated by the Company at any time, without prior notice, upon a showing of "Reasonable Cause," as defined below. Should the Executive's employment be terminated by the Company for "Reasonable Cause," no severance or other unearned compensation shall be payable by the

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Company to the Executive nor shall the Company be obligated to continue to provide to the Executive at the Company's expense, or reimburse the Executive for, any health insurance benefits after the effective date of the termination. "Reasonable Cause" shall be defined for the purposes of this Agreement as being any of the following:

(i) any act or omission by the Executive that reasonably constitutes dishonesty, disloyalty, fraud, deceit, gross negligence, willful misconduct or recklessness, including, but not limited to the Executive's willful violation of the Company's bylaws or code of regulations, and that is directly or indirectly materially detrimental to the Company's best interest;

(ii) the Executive's intentional failure to perform any lawful duties assigned to him by the Board after receiving notice and a reasonable opportunity to cure;

(iii) the commission of any act by the Executive that constitutes a felony under the laws of the United States or the state of the Company's principal place of business; and

(iv) any material breach by the Executive of Section 5, 6, 7, 8 or 11 of this Agreement.

Furthermore, the termination by the Executive of his employment with the Company for any reason other than for Good Reason pursuant to Section 2d shall be deemed to be a termination of his employment for "Reasonable Cause" without any notice or other action on the part of the Company.

c. Death or Disability. The Executive's employment hereunder shall terminate immediately upon the death or disability of the Executive. The Executive shall be deemed to be disabled if, in the reasonable opinion of the Board, the Executive is unable to perform the essential functions of his job for at least 90 consecutive days because of illness, incapacity or physical or mental disability and the Executive's inability to so perform poses a substantial hardship for the Company.

d. Termination by the Executive for Good Reason. The Executive may resign from his employment with the Company for Good Reason, but only in accordance with the terms of this Section 2d. "Good Reason" shall be deemed to exist with respect to any termination by the Executive of his employment for any of the following reasons: (i) the relocation of the office of the Company at which the Executive is principally employed to a location that is more than fifty (50) miles from the location of such office as of the date of this Agreement; (ii) any failure by the Company to comply with any material term of this Agreement; or (iii) the demotion of the Executive to a lesser position than described in Section 1a hereof or a substantial diminution of the Executive's authority, duties or responsibilities as in effect on the date of this Agreement or as may be hereafter increased; provided, however, that "Good Reason" shall not include a termination of the Executive's employment pursuant to Sections 2b or 2c hereof or, following a Change of Control (as defined in Section 4d below), a reduction in title, position, responsibilities or duties solely by virtue of the Company being acquired and made part of, or operated as a subsidiary of, a larger company or organization, so long as such new duties and responsibilities are reasonable commensurate with the Executive's experience. The Executive may not resign

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with Good Reason pursuant to this Section 2d, and shall not be considered to have done so for any purpose of this Agreement, unless (A) the Executive, within sixty (60) days after the initial existence of the act or failure to act by the Company that constitutes "Good Reason" within the meaning of this Agreement, provides the Company with written notice that describes, in particular detail, the act or failure to act that the Executive believes to constitute "Good Reason" and identifies the particular clause of this Section 2d that the Executive contends is applicable to such act or failure to act; (B) the Company, within thirty (30) days after its receipt of such notice, fails or refuses to rescind such act or remedy such failure to act so as to eliminate "Good Reason" for the termination by the Executive of his employment relationship with the Company, and (C) the Executive actually resigns from his employment with the Company on or before that date that is six (6) calendar months after the initial existence of the act or failure to act by the Company that constitutes "Good Reason." If the requirements of the preceding sentence are not fully satisfied on a timely basis, then the resignation by the Executive from his employment with the Company shall not be deemed to have been for "Good Reason," the Executive shall not be entitled to any of the benefits to which he would have been entitled if he had resigned his employment with the Company for "Good Reason," and the Company shall not be required to pay any amount that would otherwise have been due to the Executive under Section 4a had the Executive resigned with "Good Reason."

e. Other Termination. The Executive's employment may also be terminated by the Company for any reason other than as set forth in Section 2b, 2c or 2d.

SECTION 3. COMPENSATION, BENEFITS AND EXPENSES

a. Salary. The Company shall pay the Executive an annual base salary at the rate of Three Hundred Twenty-Five Thousand Dollars ($325,000) (the "Base Salary"), payable in accordance with the Company's payroll practices in effect from time to time.

b. Bonus. The Executive shall be eligible to receive an annual bonus in an amount up to 40% of the Executive's Base Salary, which bonus shall be prorated for 2010 based on the portion of the year during which the Executive is employed as CEO of the Company. The amount of the annual bonus shall be determined by the Board or its Compensation Committee based upon achievement of such goals that shall be established by the Board. The bonus shall be paid within two and one-half months after the close of each fiscal year.

c. Stock Options. The Executive shall be granted stock options exercisable for the purchase of up to 158,642 shares of the Company's Common Stock, which shall vest and become exercisable as follows: 7,932 shares shall be vested and exercisable on the date of this Agreement, 39,660 shares shall vest on October 11, 2011, and the remaining 111,050 shares shall vest in thirty-six (36) substantially equal consecutive monthly installments commencing on November 11, 2011 and continuing monthly thereafter through October 11, 2014, provided, however, that such stock options shall vest and be exercisable in full upon a Change of Control. As a condition to the grant of the stock options, the Executive shall enter into a stock option agreement in the

form approved by the Board. The exercise price for such stock options shall be the fair market value of the Company's Common Stock as determined in good faith by the Board of Directors, with cashless exercise permitted upon a Change of Control. The Executive shall also be eligible to participate in equity incentive programs established by the Company from

time to time in the future to provide stock options and other equity-based incentives to key employees of the Company. All such stock options and other equity-based incentives shall be awarded in the discretion of the Board pursuant to the terms of the Company's Amended and Restated 2008 Equity Incentive Plan and/or such other plans as shall from time to time be established by the Company.

d. Health and Long-Term Disability Insurance. The Company shall, at its election, either provide, or reimburse the Executive for a portion of the costs of health and long-term disability insurance coverage in accordance with the Company's reimbursement policy. In addition to any key man insurance taken out by the Company, and provided that the Executive can pass the required physical examinations, during the term of this Agreement the Company shall, at its election, either provide to the Executive or reimburse the Executive for the premiums for $1,000,000 of term life insurance, with Executive designating the beneficiary of such policy.

e. Withholdings. The Company shall withhold from any amounts payable as compensation all federal, state, municipal, or other taxes as are required by any law, regulation, or ruling.

f. Vacation. The Executive shall be entitled to four (4) weeks paid vacation during the term of his employment pursuant to this Agreement.

g. Effect of Termination on Salary and Benefits. The Executive's Base Salary and benefits under this Section 3 shall terminate effective immediately on the date of the termination of the Executive's employment by the Company, and from that date the Executive shall be entitled to severance benefits under Section 4 if and only to the extent such benefits are then payable in accordance with the terms and provisions of this Agreement.

h. Effect of Termination on Other Provisions. This Agreement shall continue in effect upon and after the termination of the Executive's employment for any reason necessary to enforce the provisions of this Agreement that apply subsequent to any such termination, including any provisions relating to confidentiality, invention assignment, non-solicitation and non-competition.

i. Expense Reimbursement. The Company shall reimburse Executive for all out-of-pocket expenses incurred in connection with the Company's business and his performance of his obligations under this Agreement. The Company shall pay or reimburse Executive for up to $3,000 for legal review of this Agreement.

SECTION 4. PAYMENTS AND BENEFITS UPON TERMINATION

a. Payments and Benefits upon Termination. Subject to the satisfaction of the terms of Section 4b, if (i) the Executive's employment under this Agreement is terminated by the Company pursuant to Section 2e (i.e., other than a termination for Reasonable Cause pursuant to Section 2b or a termination upon death or disability pursuant to Section 2c), or (ii) the Executive resigns from his employment with Good Reason pursuant to Section 2d, the Executive shall be entitled to receive from the Company: (i) severance payments in an amount equal to the Executive's Base Salary, payable on regular pay days through the date that is twelve (12) months after the termination date, with accelerated payment of any balance due upon a Change of

Control; provided, however, that if such termination shall occur within six (6) months after a Change of Control, and, in connection with the Change of Control the holders of the Company's then outstanding Preferred Stock receive distributions on, or within thirty (30) days after, the date of the Change of Control pursuant to Section I(a) of Article Fourth of the Company's Amended and Restated Certificate of Incorporation, as amended and then in effect, at least equal to the full preferential amounts payable to them thereunder, the severance payable to the Executive pursuant to this clause 4a(i) shall be increased to an amount equal to one and one-half times the Executive's Base Salary and, upon any termination following a Change of Control all payments shall be due in a lump sum on the termination date; and (ii) payment or reimbursement of the Executive's health insurance premiums at the same level as was in effect on the termination date for a period of twelve (12) months after the termination date or until the Executive obtains other employment, whichever is sooner. Upon the disability of the Executive during the term of this Agreement, the Executive shall be entitled to receive from the Company: (A) severance payments in the amount of the salary specified in Section 3a, payable upon regular pay days for a period of six (6) months after the termination date, and (B) payment or reimbursement of the Executive's health insurance premiums at the same level as was in effect at the time of the permanent disability for a period of six (6) months after the termination date; provided, however, that these payments upon disability shall not continue beyond the date of the Executive's death should his death occur during such six (6)-month period.

b. Execution of Release. The Company's obligation to pay severance benefits under Section 4a is expressly conditioned upon the Executive's execution and delivery to the Company of a Release and Agreement, as drafted at the time of the Executive's termination of employment, including, but not limited to:

(i) an unconditional release of all rights to any claims, charges, complaints, grievances, known or unknown to the Executive, against the Company, its affiliates or assigns, through the date of the Executive's termination from employment other than post termination payments and benefits pursuant to this Agreement;

(ii) a representation and warranty that the Executive has not filed or assigned any claims, charges, complaints, or grievances against the Company, its affiliates, or assigns;

(iii) an Agreement not to use, disclose or make copies of any confidential information of the Company, as well as to return any such confidential information and property to the Company upon execution of release;

(iv) a mutual Agreement to maintain the confidentiality of the release and agreement by directors and officers of the Company not to disparage Executive or disclose the reasons for any termination of employment; and

(v) an Agreement to indemnify the Company, or its affiliates or assigns, in the event that the Executive breaches any portion of the Agreement or Release.

c. No Admission. The Executive acknowledges such an Agreement and Release shall not be construed as an admission by the Company or any other releasee of any wrongdoing

whatsoever against the Executive, and all of the releasees specifically deny any such wrongdoing.

d. Definition of Change of Control. As used in this Agreement, the term "Change of Control" means:

(i) any merger or consolidation in which voting securities of the Company possessing more than 50% of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from the person holding those securities immediately prior to such transaction and the composition of the Board following such transaction is such that the directors of the Company prior to the transaction constitute less than 50% of the Board membership following the transaction;

(ii) any acquisition, directly or indirectly, by a person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than 50% of the total combined voting power of the Company's outstanding securities; provided, however, that, no Change of Control shall be deemed to occur by reason of the acquisition of shares of the Company's capital stock by an investor or group of investors in the Company in a capital-raising transaction; or

(iii) any sale, transfer, exclusive worldwide license or other disposition of all or substantially all of the assets of the Company.

e. Salary Continuation. The salary continuation set forth in Section 4a above shall be intended either (i) to satisfy the safe harbor set forth in the regulations issued under section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (Treas. Regs. 1.409A-1(n)(2)(ii)) or (ii) be treated as a Short-term Deferral as that term is defined under Code section 409A (Treas. Regs. 1.409A-1(b)(4)). To the extent such continuation payments exceed the applicable safe harbor amount or do not constitute a Short-term Deferral, the excess amount shall be treated as

deferred compensation under Code section 409A and as such shall be payable pursuant to the following schedule: such excess amount shall be paid via standard payroll in periodic installments in accordance with the Company's usual practice for its senior executives. Notwithstanding anything herein to the contrary, (i) if at the time of the Executive's termination of employment with the Company, the Executive is a "specified employee" as defined in Code section 409A, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Code section 409A, the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Executive) until the date that is six (6) months after the termination of the Executive's employment with the Company (or the earliest date that is permitted under Code section 409A), and (ii) if any other payments of money or other benefits due to the Executive under this Agreement could cause the application of an accelerated or additional tax under Code section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Code section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner that is determined by the Board in consultation with the Company's

professional advisors not to cause such an accelerated or additional tax. In the event that payments under this Agreement are deferred pursuant to this Section 4e in order to prevent any accelerated or additional tax under Code section 409A, such payments shall be paid at the time specified in this Section 4e without any interest. The Company shall consult with the Executive in good faith regarding the implementation of this Section 4; provided, however, that none of the Company, its directors, officers, employees or advisors shall have any liability to the Executive with respect to this Section 4e.

f. Parachute Provisions. In the event the Company determines in good faith that any payments or benefits (whether made or provided pursuant to this Agreement or otherwise) provided to the Executive constitute "parachute payments" within the meaning of Section 280G of the Code ("Parachute Payments") and may be subject to an excise tax imposed pursuant to Section 4999 of the Code, the Parachute Payments will be reduced to an amount determined by the Company in good faith to be the maximum amount that may be provided to the Executive without resulting in any portion of such Parachute Payments being subject to such excise tax (the amount of such reduction, the "Cutback Benefits"). The Executive shall be entitled to select which Parachute Payments (of those that are not considered to be deferred compensation under Section 409A of the Code) shall be reduced hereunder; provided that if the Executive fails to so select promptly, the Company shall select which Parachute Payments (of those that are not considered to be deferred compensation under Section 409A of the Code) will be reduced. Parachute Payments that are considered to be deferred compensation under Section 409A of the Code shall be reduced only to the extent that the complete reduction of the Parachute Payments in the preceding sentence is insufficient to eliminate the imposition of the excise tax imposed under Section 4999 of the Code. Notwithstanding the foregoing, the Company shall use reasonable efforts to obtain the approval of the Cutback Benefits by the Company's stockholders in the manner contemplated by Q&A 7 of Treas. Reg. Section 1.280G, it being understood and agreed that the Company does not guarantee that such approval will be obtained. If, and only if, the Company determines that such approval is obtained, the Executive shall be entitled to receive the Cutback Benefits without regard to the first sentence of this Section 4f.

SECTION 5. CONFIDENTIALITY AND INVENTIONS

a. Confidential Information. Confidential Information means trade secrets, know-how and other information relating to the Company's business and not generally available to the public, which is disclosed to the Executive or with which the Executive becomes familiar during his term of employment with the Company. Confidential Information includes information relating to the Company's business practices and prospective business interests, products, processes, equipment, manufacturing operations, marketing programs, research, product development and engineering. From the date of this Agreement and during or after the Executive's term of employment, unless the Executive receives the Company's written consent, the Executive will not disclose, use, disseminate, lecture upon or publish any part of the Company's Confidential Information, whether or not developed by the Executive. Also, the Executive will have the same obligations with respect to the secret or confidential information of any other company or individual, (including the Company's parent company), to which the Executive gains access in connection with the Executive's employment. The Executive agrees that he will not disclose to the Company or induce the Company to use any secret confidential information of others, including former employers, with whom the Executive has obligations of

secrecy. The Executive expressly agrees to be solely and individually liable to any previous employers for any breach of his obligations to those previous employers, contractual or otherwise.

b. Inventions. Inventions means discoveries, improvements and ideas, whether patentable or not, made by the Executive solely or jointly with others, that relate to the business of the Company, including any of its products, processes, equipment, manufacturing operations, marketing programs, research, product development, or engineering activities. The Executive agrees that he will promptly disclose to the Company all Inventions (including those in the formative stages) that relate to the business of the Company made during the Executive's term of employment whether or not during the Executive's normal working hours. The Executive agrees that he will also promptly disclose to the Company any Inventions that relate to the business of the Company made during the period of one year after the termination of the term of the Executive's employment that relate to or constitute an improvement upon the Company's Confidential Information. The Executive shall keep and maintain written records concerning such Inventions and make these available to the Company at all times. The Company will hold such written records with the same degree of care as it does with other business documents of a confidential nature.

c. Assignment of Inventions. Inventions made in accordance with this Section 6 shall be the sole and exclusive property of the Company, except that the Executive shall retain full rights and title to any Inventions to which all of the following conditions apply:

(i) no equipment, supplies, facilities or Confidential Information of the Company was used in its development;

(ii) the Invention was developed entirely on the Executive's own time;

(iii) the Invention does not relate to the Company's business or to the Company's actual or clearly anticipated research and development program; and

(iv) the Invention does not result from any work performed by the Executive for the Company.

During and after the Executive's term of employment, the Executive or the Executive's legal representative shall, at the Company's request and expense, execute domestic and foreign patent applications and assignments to the Company concerning Inventions owned by the Company under this section, and take all other actions as the Company may request to perfect and maintain the Company's rights in same.

d. Documents. The Executive acknowledges that all originals and copies of drawings, blueprints, manuals, reports, notebooks, computer programs, photographs and any other recorded, written or printed matter relating to research, manufacturing operations, or the business affairs of the Company made or received by the Executive during the Executive's employment are the property of the Company. The rights comprised in the copyright of any of the above documents made by the Executive during the Executive's employment shall be owned exclusively by the Company. The Executive agrees to promptly surrender such property at the request of the Company and will not retain such property or copies thereof after termination of

the term of the Executive's employment. The Executive agrees to similarly return all other property of the Company such as equipment, samples and models.

SECTION 6. RESTRICTIVE COVENANT

From and after the date of this Agreement and through the one (1)-year period after the termination of the term of the Executive's employment hereunder, the Executive shall not engage in any "competitive business." As used in this Agreement, a "competitive business" shall mean any business that is engaged in the research, development, manufacturing, distribution, licensing or sale of technology, products or services relating to hormonal contraception; provided, however, that a "competitive business" shall not include the acquiring, surviving or licensing company in a Change of Control transaction if the Executive shall become an employee of or a consultant to such company with the knowledge and consent of the Company.

SECTION 7. NON-SOLICITATION

a. Non-Solicitation of Customers. From and after the date of this Agreement and through the one (1)-year period after the termination of the term of the Executive's employment hereunder, the Executive shall not solicit, entice or induce any person, firm or company with which or for which, at any time during the eleven (11) months immediately preceding the termination, the Executive has had personal dealings, contact or responsibility as a customer or client of the Executive, and in respect of whom the Executive has had access to confidential information to

become in competition with the Executive or to become a client or customer of the Executive or any other person, firm, company, or association with whom the Executive has an interest, and the Executive shall not approach any such person, firm, company or association for any such purpose or authorize or knowingly approve the taking of such actions by any other person or entity.

b. Non-Solicitation of Employees. From and after the date of this Agreement and through the one (1) year period after the termination of the term of the Executive's employment hereunder, the Executive shall not solicit, entice or induce any person, whom at any time during the eleven (11) months immediately preceding the termination, was and remains an employee of the Company in a senior managerial capacity, or as a highly skilled employee with access to and responsibility for any confidential information, to become employed or engaged by the Executive or any person, firm, company or association in which the Executive has an interest, and the Executive shall not approach any such person for any such purpose or authorize or knowingly approve the taking of such actions by any other person or entity.

SECTION 8. REPRESENTATION AND WARRANTY BY THE EXECUTIVE

The Executive hereby represents and warrants to the Company, the same being part of the essence of this Agreement that, as of the date of this Agreement, the Executive is not a party to any agreement, contract or understanding, and that no facts or circumstances exist, that would in any way restrict or prohibit him in any material way from undertaking or performing any of his obligations under this Agreement. The foregoing representation and warranty shall remain in effect throughout the term of the Executive's employment hereunder.

SECTION 9. REMEDIES

a. Equitable Relief. The parties acknowledge and agree that irreparable harm would result in the event of a breach or threat of a breach by the Executive of Section 5, 6, 7, 10 or 11 or the making of any untrue representation or warranty by the Executive in this Agreement. Therefore, in such an event, and notwithstanding any other provision of this Agreement:

(i) the Company shall be entitled to a restraining order, order of specific performance, or other injunctive relief, without showing actual damage and without bond or other security; and

(ii) the Company's obligation to make any payment or provide any benefit under this Agreement, including without limitation any severance benefits, shall immediately cease.

b. Remedies Not Exclusive. The Company's remedies under this Section 9 are not exclusive, and shall not prejudice or prohibit any other rights or remedies under this Agreement or otherwise. To the extent required to be enforceable by applicable law, the cessation of the Company's obligation to make payments or continue benefits under this Section 9 shall be deemed to be in the nature of liquidated damages.

SECTION 10. RETURN OF COMPANY PROPERTY

Immediately upon termination of the term of the Executive's employment or upon the Company's earlier request, the Executive shall return to the Company all Confidential Information and other items described in Section 5 and all originals and copies of any other property or information owned by the Company or relating to its business, that the Executive has in his possession or under his control, including all credit cards, papers, books, equipment, files, and samples.

SECTION 11. CONFIDENTIAL AGREEMENT

This Agreement is confidential. The Executive shall keep its provisions confidential and shall not disclose them to anyone, including any past, present, or prospective employee of the Company; provided, that this Section 11 shall not prohibit the Executive from discussing this Agreement in confidential communications with his family members, attorneys, accountants, or other professional advisors, provided that the provisions of Section 5 shall at all times apply to communications with any such persons.

SECTION 12. MISCELLANEOUS PROVISIONS

a. Notices. Unless otherwise agreed in writing by a party entitled to notice, all notices required by this Agreement shall be in writing and shall be deemed given when physically delivered to and acknowledged by receipt by a party or its duly authorized attorney or legal representative, or when deposited postage paid, registered or certified mail, addressed to the party at its principal business or residence as set forth in the Company's records or as known to or reasonably ascertainable by the party required to give notice.

b. General Rules of Construction. The parties have participated jointly in negotiating and drafting of this Agreement. If a question concerning intent or interpretation arises, no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all related rules and regulations unless the context requires otherwise.

c. Meaning of Certain Words. The word "including" shall mean "including without limitation."

d. Waivers. No assent, express or implied, by any party to any breach or default under this Agreement shall constitute a waiver of or assent to any breach or default of any other provision of this Agreement or any breach or default of the same provision on any other occasion.

e. Binding Effect; No Third Party Beneficiaries. This Agreement shall bind and benefit the parties and their respective heirs, devisees, beneficiaries, grantees, donees, legal representatives, successors, and assigns. Nothing in this Agreement shall be construed to confer any rights or benefits on third party beneficiaries.

f. Assignment. Neither party may assign this Agreement or any interest herein without the other's prior written consent; provided that the Company may assign its interest to another entity that it controls, is controlled by, or is under common control with or to a successor in interest upon a Change of Control.

g. Captions. Titles or captions contained in this Agreement are for convenience and are not intended to affect the substantive meaning of any provision.

h. Severability. If any provision of this Agreement, including the Confidential Information provision of this Agreement, is found in binding arbitration or by a court or other tribunal of competent jurisdiction to be invalid or unenforceable, the attempt shall first be made to read that provision in such a way as to make it valid and enforceable in light of the parties' apparent intent as evidenced by this Agreement. If such a reading is impossible, the tribunal having jurisdiction may revise the provision in any reasonable manner, to the extent necessary to make it binding and enforceable. If no such revision is possible, the offending provision shall be deemed stricken from the Agreement, and every other provision shall remain in full force and effect.

i. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

j. Survival. The provisions of this Agreement that by their terms are intended to continue beyond the termination of the term of the Executive's employment shall survive such termination of employment and shall continue in effect for the respective periods therein provided or contemplated.

k. Section 409A. It is intended that this Agreement be drafted and administered in compliance with section 409A of the Code, including, but not limited to, any future amendments

to Code section 409A, and any other Internal Revenue Service or other governmental rulings or interpretations (together, "Section 409A") issued pursuant to Section 409A so as not to subject the Executive to payment of interest or any additional tax under Code section 409A. The parties intend for any payments under this Agreement to either satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. In furtherance thereof, if payment or provision of any amount or benefit hereunder that is subject to Section 409A at the time specified herein would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or

benefit shall be postponed to the earliest commencement date on which the payment or provision of such amount or benefit could be made without incurring such additional tax. In addition, to the extent that any Internal Revenue Service guidance issued under Section 409A would result in the Executive being subject to the payment of interest or any additional tax under Section 409A, the parties agree, to the extent reasonably possible, to amend this Agreement in order to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall have the minimum economic effect necessary and be reasonably determined in good faith by the Company and the Executive.

l. Governing Law. This Agreement shall be governed by and construed under the laws of the United States and the State of New Jersey.

m. Board Information. The Executive shall at all times promptly give to the Board (in writing if so requested) all such information as it may require in connection with matters relating to the Executive's employment or with the Company or the business of the Company.

n. Effective Date. This Agreement shall be effective immediately on the date duly executed by both parties.

o. Full Agreement; Modification. This Agreement supersedes the letter agreement dated as of August 1, 2008 between the Executive and the Company, as amended, and all other consulting and employment arrangements between the Executive and the Company, but shall not supersede any existing confidentiality, invention assignment, non-solicitation or non-competition agreements between the Executive and the Company. This Agreement constitutes the entire agreement of the parties concerning its subject matter and supersedes all other oral or written understandings, discussions, and agreements, and may be modified only in a writing signed by both parties. The parties acknowledge that they have read and fully understand the contents of this Agreement and execute it after having an opportunity to consult with legal counsel.

p. Counterparts; Delivery. This Agreement may be executed by the parties in separate counterparts and may be delivered by either or both parties by facsimile or electronic transmission.

(Signature page follows.)

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Agreement to be effective as of the date specified above.

AGILE THERAPEUTICS, INC.

/s/ Al Altomari
Al Altomari

By: /s/ Karen Hong
Karen Hong
Chair of Compensation Committee

SCHEDULE A

Permitted Activities

Description of Activity	Nature of Work	Hours Per Week	Anticipated Compensation
Auxilium (AUXL) (cash/stock)	Board of Directors	6-8 days/year	Publicly disclosed
Dusa Pharmaceuticals (DUSA) (cash/stock)	Board of Directors	6-8 days/year	Publicly disclosed
Nitric Bioscience** (cash/stock)	Board of Directors	6-8 days/year	$15,000/year
Drexel University***	Advisory Boards	2-4 days/year	volunteer

** until February, 2011
*** mostly night-time meetings

AMENDMENT
TO
EMPLOYMENT AGREEMENT

AMENDMENT TO EMPLOYMENT AGREEMENT effective as of December 18, 2012 between Agile Therapeutics, Inc. (the "Company"), a Delaware corporation; and Al Altomari ("Executive").

Recitals:

The parties are parties to an Employment Agreement dated as of October 11, 2010 (the "Employment Agreement"), which provides for the employment of Executive by the Company. The parties wish to amend the Employment Agreement, as provided in this Amendment.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Section 4a of the Employment Agreement is hereby amended and restated in its entirety to provide as follows:

(a) Payments and Benefits upon Termination. Subject to the satisfaction of the terms of Section 4b, if (i) the Executive's employment under this Agreement is terminated by the Company pursuant to Section 2e (i.e., other than a termination for Reasonable Cause pursuant to Section 2b or a termination upon death or disability pursuant to Section 2c), or (ii) the Executive resigns from his employment with Good Reason pursuant to Section 2d, the Executive shall be entitled to receive from the Company the following payment and benefits that will commence within sixty (60) days following the Executive's termination date: (i) severance payments in an amount equal to the Executive's Base Salary, payable on regular pay days through the date that is twelve (12) months after the termination date, with accelerated payment of any balance due upon a Change of Control; provided, however, that if such termination shall occur within six (6) months after a Change of Control, and, in connection with the Change of Control the holders of the Company's then outstanding Preferred Stock receive distributions on, or within thirty (30) days after, the date of the Change of Control pursuant to Section I(a) of Article Fourth of the Company's Amended and Restated Certificate of Incorporation, as amended and then in effect, at least equal to the full preferential amounts payable to them thereunder, the severance payable to the Executive pursuant to this clause 4a(i) shall be increased to an amount equal to one and one-half times the Executive's Base Salary and, upon any termination following a Change of Control all payments shall be due in a lump sum on the termination date; and (ii) payment or reimbursement of the Executive's health insurance premiums at the same level as was in effect on the termination date for a period of twelve (12) months after the termination date or until the Executive obtains other employment, whichever is sooner. Subject to the satisfaction of the terms of Section 4b, upon the termination of the Executive as a result of the disability of the Executive during the term of this Agreement, the Executive shall be entitled to receive from the Company the following payments and benefits that will commence within sixty (60) days following

the Executive's termination date: (A) severance payments in the amount of the salary specified in Section 3a, payable upon regular pay days for a period of six (6) months after the termination date, and (B) payment or reimbursement of the Executive's health insurance premiums at the same level as was in effect at the time of the permanent disability for a period of six (6) months after the termination date; provided, however, that these payments upon disability shall not continue beyond the date of the Executive's death should his death occur during such six (6)-month period

2. Section 4b of the Employment Agreement is hereby amended and restated in its entirety to provide as follows:

(b) Execution of Release. Executive shall not be entitled to any payments or benefits under Section 4a unless, the Executive executes and does not revoke a Release and Agreement (the "Release"), as drafted at the time of the Executive's termination of employment, including, but not limited to:

(i) an unconditional release of all rights to any claims, charges, complaints, grievances, known or unknown to the Executive, against the Company, its affiliates or assigns, through the date of the Executive's termination from employment other than post termination payments and benefits pursuant to this Agreement;

(ii) a representation and warranty that the Executive has not filed or assigned any claims, charges, complaints, or grievances against the Company, its affiliates, or assigns;

(iii) an Agreement not to use, disclose or make copies of any confidential information of the Company, as well as to return any such confidential information and property to the Company upon execution of release;

(iv) a mutual Agreement to maintain the confidentiality of the release and agreement by directors and officers of the Company not to disparage Executive or disclose the reasons for any termination of employment; and

(v) an Agreement to indemnify the Company, or its affiliates or assigns, in the event that the Executive breaches any portion of the Agreement or Release.

Notwithstanding any provision of this Agreement to the contrary, in no event shall the timing of the Executive's execution of the Release, directly or indirectly, result in the Executive designating the calendar year of payment, and if a payment that is subject to execution of the Release could be made in more than one (1) taxable year, payment shall be made in the later taxable year.

3. All provisions of the Employment Agreement, as amended by this Amendment, that, by their terms, whether express or implied, are intended to continue beyond the termination of your employment shall thereafter continue in effect.

4. The parties acknowledge and agree that all of the terms, provisions, covenants and conditions of the Employment Agreement shall hereafter continue in full force and effect in accordance with the terms thereof, except to the extent amended, modified, deleted or revised herein.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first written above.

AGILE THERAPEUTICS, INC.

By: /s/ Lorenzo Pellegrini
Lorenzo Pellegrini,
Compensation Committee Chair

/s/ Al Altomari
Al Altomari

AGILE THERAPEUTICS, INC.
366 WALL STREET
PRINCETON, NJ 08540-1517
T: 609-683-1880
F: 609-683-1855
www.agiletherapeutics.com

November 17, 2010

Scott M. Coiante
33 Cliffwood Drive
Allentown, NJ 08501

Re: Employment Offer

Dear Scott:

On behalf of Agile Therapeutics, Inc. (the "Company"), I am pleased to offer you employment as Vice President of Finance reporting to the Chief Executive Officer of the Company. The purpose of this letter is to set forth the terms of the offer.

1. Your position will be as a regular full-time employee commencing on December 1, 2010. As a regular full-time employee, you will be expected to devote all of your business time and best efforts to the performance of your duties and responsibilities to the Company, as these may be changed by the Company from time to time.

2. Your annual base salary will be $225,000 (less applicable required withholding and deductions). Your salary will be paid in accordance with the Company's standard payroll policies.

3. The Company does not currently have a Company-wide performance-based cash bonus plan, but you will be eligible to participate in such a plan if and when such a plan is instituted in the future. In the meantime, beginning in 2011, you will be eligible for an annual bonus at a target rate of 25% of your annual base salary payable in cash, based on individual and corporate performance objectives. The Board of Directors will determine whether and to what extent the objectives have been met.

4. As an inducement to joining the Company, the Company will pay you a signing bonus of $10,000 promptly after the commencement of your employment.

5. Subject to the approval of the Board of Directors, you will be granted a stock option to purchase 17,047 shares of the Company's common stock, currently representing 0.5% of the Company's common stock. The stock option will be subject to the terms of the

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Company's Amended and Restated 2008 Equity Incentive Stock Plan (the "Plan") and standard stock option agreement. The per-share exercise price of the stock option will be the fair market value on the date of grant, as determined by the Board of Directors. The stock option will vest as follows, provided that you continue to be employed by the Company on each respective vesting date: 25% on the first anniversary date of the commencement date of your employment, and the balance in 36 substantially equal monthly installments beginning in the thirteenth month after the commencement date of your employment, and vesting will accelerate upon a Change of Control of the Company (as defined in the Plan). You will also be eligible to be considered for additional stock option grants in the future, subject to approval by the Board of Directors.

6. You will be entitled to three [NOTE: changed by hand to four weeks and initialed.] weeks' vacation each year, accruing in accordance with the vacation policies established by the Company from time to time. You will also be entitled to participate in the Company's other employee benefit plans as they are generally made available to other employees of similar status and service, including the right to participate in Company-sponsored medical and dental insurance plans and a 401(SIMPLE) plan. Prior to the establishment of a Company health insurance plan, the Company will reimburse you for certain costs of your health insurance in accordance with the terms of the Company's reimbursement program. The Company currently reimburses employees for 100% of the medical and dental insurance premiums that they pay. These benefits, as well as all other Company compensation and benefit programs, are subject to change from time to time as deemed appropriate and necessary by the Company.

7. As a condition of employment, you will be required to sign the Company's standard form of Non-Disclosure, Invention Assignment, Non-Solicitation and Non-Compete Agreement (the "Non-Disclosure Agreement"). By accepting this offer, you agree that you will not bring with you to the Company, or use in any way during your employment with the Company, any confidential information, trade secrets or proprietary materials or processes of any former employer, entity, trust or individual for which you have performed services. You further confirm that by accepting this offer you will not breach any contract, agreement or other instrument to which you are a party or are bound.

8. Please note that this letter and your response do not create a contract or promise of employment for a definite period of time. Therefore, you are free to resign for any reason or for no reason. Similarly, the Company is free to conclude its at-will employment relationship with you at any time, with or without cause. We do request, however, that you give reasonable notice if you decide to terminate your employment with us. Notwithstanding anything to the contrary stated in this letter, if the Company terminates your employment without cause, upon the receipt from you of a release in form and substance satisfactory to the Company, the Company will pay you severance in an amount equal to your base salary for a period of three months, which amount may be paid, at the Company's election, either in a lump sum or by salary continuation. For purposes of this letter, the term "cause" shall mean a reasonable belief by the Company that one or more of the following acts, events or conditions has occurred: (i) your habitual intoxication or abuse of a controlled substance; (ii) your conviction of a felony involving moral turpitude; (iii) your adjudication as an incompetent; (iv) a breach by

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you of any material term set forth herein or in the Non-Disclosure Agreement, including but not limited to your failure to faithfully, diligently and adequately perform your duties that is not corrected within ten days after written notice from the Company; (v) a violation by you in any material respect of any of the Company's rules, regulations or policies; (vi) gross insubordination by you in the performance of your duties; (viii) engaging in any conduct, action or behavior that, in the reasonable opinion of the Company, has had or may have a material adverse effect on your reputation or that of the Company; (ix) any continued or repeated absence, unless the absence is approved or excused by the Company; or (x) misappropriation by you of any funds or property of the Company, theft, embezzlement or fraud.

9. You will be subject to and expected to abide by the Company's policies and procedures, as these may be changed from time to time.

10. This offer expires at 5:00 p.m. on November 23, 2010 if not accepted by then.

11. This offer is subject to successful completion of a pre-employment background check and documentation of eligibility to work in the United States, to be completed as soon as possible following your acceptance of this offer. The Company will notify you when the background check has been completed.

12. By accepting this offer, you represent that you have not relied on any agreements or representations, written or oral, express or implied, with respect to your employment that are not set forth expressly in this letter.

13. Upon the commencement of your employment with the Company, the term of the Consulting Agreement dated June 29, 2010 (the "Consulting Agreement") between you and the Company will terminate; provided, however, that Sections 6, 7 and 8 of the Consulting Agreement and all other terms of the Consulting Agreement that are intended to endure beyond the term of the Consulting Agreement shall survive such termination.

[Remainder of page intentionally left blank.]

Acceptance of this offer should be acknowledged by signing both originals and returning one to me. Again, let me indicate how pleased we all are to extend this offer and how much we look forward to working with you.

Sincerely,

/s/ Al Altomari

Al Altomari
President and CEO

Accepted and agreed:

/s/ Scott M. Coiante
Scott M. Coiante

Date: November 23, 2010

Agile Therapeutics, Inc.
101 Poor Farm Road
Princeton, NJ 08540
T: 609-683-1880
F: 609-683-1855
www.agiletherapeutics.com

December 9, 2013

Elizabeth Garner, M.D.
206 Drakes Drum Drive
Bryn Mawr, PA 19010

Re: Employment Offer

Dear Beth:

On behalf of Agile Therapeutics, Inc. (the "Company"), I am pleased to offer you employment as Chief Medical Officer and Senior VP Clinical Development. The purpose of this letter is to set forth the terms of the offer.

1. Your position will be as a regular full-time employee commencing on December 23, 2013. As a regular full-time employee, you will be expected to devote all of your business time and best efforts to the performance of your duties and responsibilities to the Company, as these may be changed by the Company from time to time.

2. Your annual base salary will be $320,000 (less applicable required withholding and deductions). Your salary will be paid in accordance with the Company's standard payroll policies.

3. The Company does not currently have a Company-wide performance-based cash bonus plan, but you will be eligible to participate if and when such a plan is instituted in the future. In the meantime, beginning in 2014, you will be eligible for an annual bonus at a target rate of 25% of your annual base salary, based on your performance against individual and corporate objectives. The Board of Directors will determine whether and to what extent the objectives have been met.

4. As an inducement to joining the Company, the Company will pay you a signing bonus of $20,000 promptly after the commencement of your employment.

5. Subject to the approval of the Board of Directors, you will be granted a stock option to purchase up to 44,600 shares of the Company's common stock. The stock option will be subject to the terms of the Company's Amended and Restated 2008 Equity Incentive

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Stock Plan (the "Plan") and standard stock option agreement. The per-share exercise price of the stock option will be the fair market value on the date of grant, as determined by the Board of Directors. The stock option will vest as follows, provided that you continue to be employed by the Company on each respective vesting date: (a) 22,300 of the shares will vest over four years as follows: 25% on the first anniversary date of the commencement date of your employment, and the balance in 36 substantially equal monthly installments beginning in the thirteenth month after the commencement date of your employment; and (b) 22,300 shares will vest if and only if the Company completes its next phase 3 clinical study of its Twirla™ contraceptive patch, and any of the following occurs: (i) a PEARL index within the upper bounds of confidence of 5.0 is achieved in such clinical study, (ii) such clinical study is otherwise satisfactory to the Company's Board of Directors, or (iii) the Twirla™ contraceptive patch is approved for sale in the United States by the U.S. Food and Drug Administration. Vesting of these stock options will accelerate upon a Change of Control of the Company (as defined in the Plan). You will also be eligible to be considered for additional stock option grants in the future, subject to approval by the Board of Directors.

6. You will be entitled to three weeks' vacation each year, accruing in accordance with the policies established by the Company from time to time. You will also be entitled to participate in the Company's other employee benefit plans as they are generally made available to other employees of similar status and service, including the right to participate in Company-sponsored medical and dental insurance plans. You will be eligible for enrollment in Company-sponsored medical and dental insurance plans beginning January 1, 2014. These benefits, as well as all other Company compensation and benefit programs, are subject to change from time to time as deemed appropriate and necessary by the Company. In addition, the Company will pay you a commuting allowance in the amount of $5,000 per calendar quarter. The commuting allowance will be paid promptly after the end of each calendar quarter commencing at the end of the first quarter of 2014 and prorated for any portion of a quarter thereafter.

7. As a condition of employment, you will be required to sign the Company's standard form of Non-Disclosure, Invention Assignment, Non-Solicitation and Non-Compete Agreement (the "Non-Disclosure Agreement"). By accepting this offer, you agree that you will not bring with you to the Company, or use in any way during your employment with the Company, any confidential information, trade secrets or proprietary materials or processes of any former employer, entity, trust or individual for which you have performed services. You further confirm that by accepting this offer you will not breach any contract, agreement or other instrument to which you are a party or are bound.

8. Please note that this letter and your response do not create a contract or promise of employment for a definite period of time. Therefore, you are free to resign for any reason or for no reason. Similarly, the Company is free to conclude its at-will employment relationship with you at any time, with or without cause. We do request, however, that you give reasonable notice if you decide to terminate your employment with us. Notwithstanding anything to the contrary stated in this letter, if the Company terminates your employment without cause, upon the receipt from you of a release in form and substance satisfactory to the Company within 21 days after the date your employment

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terminates, the Company will pay you severance in an amount equal to your base salary for a period of three months, which amount may be paid, at the Company's election, either in a lump sum or by salary continuation. Notwithstanding the foregoing, if your employment terminates within the final 60 days of a calendar year, any lump sum severance payment (if applicable) shall be made as soon as administratively feasible within 60 days following the date your employment terminates, but in no event prior to the first scheduled pay date in the next calendar year, provided you have fully executed and not revoked the release. For purposes of this letter, the term "cause" shall mean a reasonable belief by the Company that one or more of the following acts, events or conditions has occurred: (i) your habitual intoxication or abuse of a controlled substance; (ii) your conviction of a felony involving moral turpitude; (iii) your adjudication as an incompetent; (iv) a breach by you of any material term set forth in this letter or in the Non-Disclosure Agreement, including but not limited to your failure to faithfully, diligently and adequately perform your duties, that is not corrected within ten days after written notice from the Company; (v) a violation by you in any material respect of any of the Company's rules, regulations or policies; (vi) gross insubordination by you in the performance of your duties; (viii) engaging in any conduct, action or behavior that, in the reasonable opinion of the Company, has had or may have a material adverse effect on your reputation or that of the Company; (ix) any continued or repeated absence, unless the absence is approved or excused by the Company; or (x) misappropriation by you of any funds or property of the Company, theft, embezzlement or fraud.

9. You will be subject to and expected to abide by the Company's policies and procedures, as these may be changed from time to time.

10. This offer expires at 5:00 p.m. on December 10, 2013 if not accepted by then.

11. This offer is subject to successful completion of a pre-employment background check and documentation of eligibility to work in the United States, to be completed as soon as possible following your acceptance of this offer.

12. In the event the Company determines in good faith that any payments or benefits (whether made or provided pursuant to this letter agreement or otherwise) provided to you constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code (the "Code") and may be subject to an excise tax imposed pursuant to Section 4999 of the Code,

the parachute payments will be reduced to an amount determined by the Company in good faith to be the maximum amount that may be provided to you without resulting in any portion of such parachute payments being subject to such excise tax.

13. By accepting this offer, you represent that you have not relied on any agreements or representations, written or oral, express or implied, with respect to your employment that are not set forth expressly in this letter.

[Remainder of page intentionally left blank.]

Acceptance of this offer should be acknowledged by signing both originals and returning one to me. Again, let me indicate how pleased we all are to extend this offer and how much we look forward to working with you.

Sincerely,

/s/ Al Altomari

Al Altomari
President and CEO

Accepted and agreed:

/s/ Elizabeth Garner
Elizabeth Garner, M.D.

Date: December 11, 2013

Agile Therapeutics, Inc.
101 Poor Farm Road
Princeton, NJ 08540
T: 609-683-1880
F: 609-683-1855
www.agiletherapeutics.com

March 12, 2014

Katie MacFarlane, PharmD
2840 27th St NW
Washington, DC 20008

Re: Employment Offer

Dear Katie:

On behalf of Agile Therapeutics, Inc. (the "Company"), I am pleased to offer you employment as Chief Commercial Officer reporting to the President and Chief Executive Officer of the Company. The purpose of this letter is to set forth the terms of the offer.

1. Your position will be as a regular employee commencing on March 17, 2014. As a regular employee, you will be expected to devote the necessary business time and your best efforts to the performance of your duties and responsibilities to the Company, as these may be changed by the Company from time to time. Although your employment will be based in the Company's headquarters in Princeton, New Jersey, you may perform your duties and responsibilities from your home or other remote location as long as you make yourself available on reasonable notice and prearrangement to work in the Company's offices, and it is also recognized that your position will require travel on Company business from time to time.

2. Your annual base salary will be $180,000 (less applicable required withholding and deductions). Your salary will be paid in accordance with the Company's standard payroll policies.

3. in the event you are terminated without cause by the Company, you are entitled to receive salary continuation payments for a period of 3 months following the date of termination, subject to execution of a release of all claims against the Company. "Cause" is generally defined as the Company's reasonable belief that one or more of the following have occurred: (i) habitual intoxication or abuse of a controlled substance; (ii) conviction of a felony involving moral turpitude: (iii) adjudication as an incompetent; (iv) breach of any material term set forth in the offer letter or the Non-Disclosure Agreement entered into by you; (v) violation in any material respect of the Company's rules, regulations or policies; (vi) gross insubordination; (vii) engaging in any conduct, action or behavior that has had or may have a material adverse effect on your or the Company's reputation; (ix) continued or repeated unexcused absence; or (x) misappropriation of Company funds or property, theft, embezzlement or fraud.

4. The Company does not currently have a Company-wide performance-based cash bonus plan, but you will be eligible to participate when and if such a plan is instituted in the future. In the meantime, you will be eligible for an annual bonus of up to 25% of your annual base salary based on your performance against corporate and individual objectives. The Board of Directors or its Compensation Committee will determine whether and to what extent the objectives have been met.

5. Subject to the approval of the Board of Directors, you will be granted a stock option under the Company's Amended and Restated 2008 Equity Incentive Plan (the "Plan") exercisable for the purchase of 10,000 shares of the Company's common stock. The per-share exercise price of the stock option will be the fair market value of a share of the Company's common stock on the date of grant, as determined by the Board of Directors. The stock option will vest as follows, provided that you continue to be employed by the Company on each respective vesting date: 25% on the first anniversary date of the commencement date of your employment, and the balance in 36 substantially equal monthly installments beginning in the thirteenth month after the commencement date of your employment, and vesting will accelerate upon a Change of Control of the Company (as defined in the Plan). The stock option will be subject to the terms of the Plan and a stock option agreement to be executed by you as a condition to the grant.

6. You will be entitled to three weeks' paid vacation each year, accruing in accordance with the policies established by the Company from time to time. You will also be entitled to participate in the Company's other employee benefit plans as they are generally made available to other employees of similar status and service, including the right to participate in Company-sponsored medical and dental insurance plans. You will be eligible for enrollment in Company-sponsored medical and dental insurance plans. These benefits, as well as all other Company compensation and benefit programs, are subject to change from time to time as deemed appropriate and necessary by the Company.

7. You will be entitled to receive prompt reimbursement for all reasonable and necessary business expenses incurred in connection with performing services for the Company, provided that you incur and account for those expenses in accordance with the Company's policies and procedures as then in effect.

8. As a condition of employment, you will be required to sign the Company's standard form of Nondisclosure, Invention Assignment and Noncompetition Agreement. By accepting this offer, you agree that you will not bring with you to the Company, or use in any way during your employment with the Company, any confidential information, trade secrets or proprietary materials or processes of any former employer, entity, trust or individual for which you have performed services. You further confirm that by accepting this offer you will not breach any contract, agreement or other instrument to which you are a party or are bound.

9. Please note that this letter and your response do not create a contract or promise of employment for a definite period of time. Therefore, you are free to resign for any reason or for no reason. Similarly, the Company is free to conclude its at-will employment

relationship with you at any time, with or without cause. We do request, however, that you give reasonable notice if you decide to terminate your employment with us.

10. You will be subject to and expected to abide by the Company's policies and procedures, as these may be changed from time to time.

11. This offer expires at 5:00 p.m. on March 17, 2014, if not accepted by then.

12. This offer is subject to successful completion of a pre-employment background check and documentation of eligibility to work in the United States, to be completed as soon as possible following your acceptance of this offer.

13. In the event the Company determines in good faith that any payments or benefits (whether made or provided pursuant to this letter agreement or otherwise) provided to you constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code (the "Code") and may be subject to an excise tax imposed pursuant to Section 4999 of the Code, the parachute payments will be reduced to an amount determined by the Company in good faith to be the maximum amount that may be provided to you without resulting in any portion of such parachute payments being subject to such excise tax.

By accepting this offer, you represent that you have not relied on any agreements or representations, written or oral, express or implied, with respect to your employment that are not set forth expressly in this letter.

Acceptance of this offer should be acknowledged by signing a copy of this letter and returning it to me. Again, let me indicate how pleased we all are to extend this offer and how much we look forward to working with you as a Company employee.

Sincerely,

/s/ Al Altomari

Al Altomari
President and
Chief Executive Officer

Accepted and agreed:

/s/ Kathryn L. MacFarlane
Katie MacFarlane

Date: March 12, 2014

EXHIBIT 10.8

[*] Certain confidential information contained in this document, marked by brackets, has been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

DEVELOPMENT, LICENSE AND COMMERCIALIZATION AGREEMENT

This Development, License and Commercialization Agreement (this "Agreement") is entered into as of October 18, 2006 (the "Effective Date") between Corium International, Inc., a Delaware corporation having its principal place of business at 2686 Middlefield Road, Redwood City, CA 94063, ("Corium"), and Agile Therapeutics, Inc., a Delaware corporation, having its principal place of business at 366 Wall Street, Princeton, NJ 08540, ("Agile").

RECITALS

A. Corium has developed expertise in developing, formulating and manufacturing transdermal drug delivery systems, and Corium owns or has valid license rights to certain intellectual property related thereto;

B. Agile is in the process of developing a transdermal delivery system containing ethinyl estradiol and levonorgestrel for female contraception (as more specifically described in this Agreement), and Agile owns or has valid license rights to certain intellectual property related thereto;

C. In order to assist Agile in completing the development of Agile's transdermal delivery system product and obtaining regulatory clearance, Agile wishes to engage Corium to provide certain development services, clinical supplies of the developed product, and license rights associated with the product, and Corium is willing to provide those services, supplies and license rights, all as more specifically provided in this Agreement and subject to the terms and conditions set forth herein; and

D. In consideration of the services, supplies and license rights to be provided by Corium to Agile, Agile is willing to pay Corium the compensation described in this Agreement and also to engage Corium as Agile's exclusive supplier of the product to be developed hereunder for at least [*] after commercial launch, all as more specifically provided in this Agreement and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants contained herein, and intending to be legally bound, Agile and Corium hereby agree as follows:

ARTICLE 1 - DEFINITIONS

For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

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1.01 "Affiliate" shall mean, with respect to any party, a corporation or any other entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, that party, but only for so long as the relationship exists. "Control" shall mean ownership of shares of stock having at least 50% of the voting power entitled to vote for the election of directors in the case of a corporation.

1.02 "Agile Background Technology" means all Inventions that are owned, either partially or wholly, by Agile as of the Effective Date of this Agreement.

1.03 "Agile Intellectual Property" means the Agile Background Technology, the Agile Foreground Inventions (as defined in Section 5.1(b)), and any other Agile-owned intellectual property rights (whether patented or not).

1.04 "cGMP" shall mean those Current Good Manufacturing Practices required by the FDA and all other relevant regulatory agencies to be followed in connection with the manufacture of pharmaceutical products, as defined from time to time by the United States Federal Food, Drug and Cosmetic Act and similar regulations, as amended, or any successor laws or regulations governing the manufacture, handling, storage and control of the Product in the Territory (but only to the extent the foregoing apply to Corium by virtue of Corium's manufacturing activities in the applicable jurisdiction or exporting Products into such jurisdiction).

1.05 "Corium Background Technology" means all Inventions that are owned, either partially or wholly, by Corium as of the Effective Date of this Agreement.

1.06 "Corium Intellectual Property" means the Corium Background Technology, the Corium Foreground Inventions (as defined in Section 5.1(a)), and any other Corium-owned intellectual property rights (whether patented or not).

1.07 "FDA" shall mean the United States Food and Drug Administration or any successor United States governmental agency performing similar functions with respect to pharmaceutical products.

1.08 "Gross Sales" shall mean the total amounts invoiced by Agile, any Sublicensee, or any of their Affiliates for sales of the Product in the Territory to third parties in bona fide, arms-length transactions, for a given calendar quarter, but not including any revenues arising from the sale of Product units that were manufactured by Corium under this Agreement.

1.09 "Inventions" means inventions, technologies, Know-How, works of authorship, developments, and intellectual property rights (including but not limited to patent and trade-secret rights).

1.10 "Know-How" means confidential and/or proprietary technical information, formulations, techniques, processes, trade secrets, methods, data, substances and materials, and other information in a party's possession that is not generally available to the public.

1.11 "Launch Date" shall mean the date of first commercial sale of the Product in the Territory by Agile or its Affiliates.

1.12 "NDA" shall mean a New Drug Application (as defined in Title 21 of the U.S Code of Federal Regulations) submitted to the FDA requesting approval to market the Product.

1.13 "Net Sales" shall mean the Gross Sales, adjusted as necessary so as not to include: (i) [*](ii) [*]; (iii) [*]; (v)[*]; (vi)[*]and (vii)[*]

1.14 "Product" shall mean Agile's proprietary transdermal delivery system for female contraception, whose active ingredients are ethinyl estradiol and levonorgestrel, whether labeled, packaged and marketed as a brand-name product or as an authorized generic of such product.

1.15 "Product Specification" shall mean a manufacturing, testing, labeling, storage and quality control specification, to be established in the course of the parties' activities under this Agreement and updated or otherwise modified from time to time, for a transdermal delivery system product that conforms to the product description set forth in the attached Exhibit A, as it may be amended from time to time in accordance with this Agreement and as such specification is set forth in the NDA and approved by the FDA (as applicable), and as such specification may be amended for Products to be sold in jurisdictions outside the United States to comply with regulatory requirements of those respective jurisdictions.

1.16 "Sublicensee" shall have the meaning set forth in Section 5.2(b).

1.17 "Territory" shall mean the entire world.

1.18 "Third Party" shall mean an entity or person that is not a party to this Agreement or an Affiliate of a party to this Agreement.

1.19 "Third Party Manufacturer" shall mean a Third Party that enters into a manufacture and supply agreement with Agile for the manufacture and supply of the Product as contemplated by the terms of this Agreement.

ARTICLE 2 - DEVELOPMENT PROGRAM

2.1 The Development Program. The parties shall undertake a development and manufacturing scale-up program for the Product, as described in the attached Exhibits B and C, with the overall objective of creating commercial-scale manufacturing capability and obtaining all regulatory approvals necessary for the commercialization of the Product (hereinafter, the "Development Program"). Subject to the terms and conditions of this Agreement, including but not limited to Section 2.8 below, the parties will cooperate with each other using commercially reasonable good faith efforts to accomplish the goals of the Development Program; however, if the Product or associated processes are not successfully developed, neither party shall be liable to the other party solely by reason of that fact.

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2.2 Commencement of the Development Program. The Development Program shall commence promptly after Agile pays Corium the non-refundable pre-commencement payment identified in the attached Exhibit D (the "Prepayment").

2.3 Tasks and Timeline for the Development Program. The tasks and estimated timeline for the portion of the Development Program designated as "Stage 1" are set forth in Exhibit B attached hereto (the Stage 1 "Tasks" and "Timeline" respectively). The parties recognize that certain later portions of the Development Program (particularly the portion designated in Exhibit C as "Stage 2") cannot be adequately estimated in terms of specific tasks and timelines as of the Effective Date. As relevant data and experience are obtained through the performance of Stage 1 Tasks, the parties will cooperate, using the mechanisms described in Section 2.5 below, to establish and refine reasonable tasks and timelines for Stage 2 (the Stage 2 "Tasks" and "Timeline" respectively) consistent with such newly obtained data and experience. The parties will use commercially reasonable efforts and will devote personnel each party reasonably believes are sufficient in number, skills and experience to complete the Tasks in accordance with the applicable Timeline, as set forth in Exhibit B (for Stage 1) and as established in accordance with this Section (for Stage 2). In the event that Corium is unable to satisfy a milestone or other Task or Timeline requirement as estimated, the parties will, consistent with the provisions of Sections 2.5 through 2.7 below, consider appropriate changes to the Milestones, Tasks and/or Timelines.

2.4 Exchange of Information; Reporting.

(a) Generally. The parties will use good faith efforts to keep each other informed with respect to material activities directly related to their performance of the Development Program. Information that Agile will provide to Corium includes, without limitation, any Agile information, data, or research results with respect to third party patents that may cover or relate to the Product. Corium shall provide Agile with regular written reports as reasonably necessary to keep Agile apprised of Corium's progress under the Development Program, and respond to any questions raised by Agile from time to time.

(b) Specific Product Information. In addition to the information identified in Section 2.4(a) above, Corium agrees to maintain a confidential dossier including information concerning the composition of the Product; the manufacturing process; quality control testing and release methods; scale-up and process validation data; and batch release and stability data. Corium shall provide such information (or right of reference thereto such as a right of reference to a Drug Master File) as required by law or as necessary to obtain regulatory approval for the manufacture of the Product to (i) Agile or (ii) the applicable regulatory agency, at Agile's election. Corium shall also provide to Agile any information (including but not limited to analytical methodology and assays) available to Corium and necessary for Agile to determine compliance with the Product Specification and to perform quality control and batch release functions.

2.5 Joint Steering Committee.

(a) Purpose. A joint supervisory committee will be established to oversee the Development Program (the "Joint Steering Committee"). The duties of the Joint Steering Committee will include, but not be limited to, the following:

(i) general oversight of all aspects of the Development Program;

(ii) development and approval of budgets and any revisions thereto;

(iii) revision of the Tasks and Timeline if the estimated timing schedule for the development of a Product has not been followed or must be revised; and

(iv) initial forum for the resolution of disputes arising under this Agreement.

(b) Membership. The Joint Steering Committee will consist of a minimum of two representatives from Corium and two representatives from Agile. A party's members of the Joint Steering Committee will be appointed by the party at its sole discretion. Substitute employees may be appointed at any time. The parties will appoint their respective members of the Joint Steering Committee, and each party will disclose such members to the other party in writing, promptly after the Effective Date. If the Joint Steering Committee is unable to reach agreement on a matter within twenty (20) business days of either party's request, the matter will be submitted for resolution to the parties' respective chief executive officers.

(c) Meetings. The Joint Steering Committee will meet quarterly or more frequently as requested by either party to maintain Development Program progress. Representatives of either party, or both, in addition to members of the Joint Steering Committee, may attend such meetings at the invitation of either party. The Joint Steering Committee may hold meetings in person or by teleconference or videoconference.

(d) Records. Records of all significant decisions of the Joint Steering Committee, such as decisions regarding budgets and changes in Tasks and Timelines, will be reflected in written minutes of meetings that will be circulated to all Joint Steering Committee members for review and comment before being filed as final records of the Joint Steering Committee.

2.6 Working Committee. In addition to the Joint Steering Committee described above, in order to coordinate and monitor day-to-day progress on the Development Program, Corium and Agile shall each appoint a minimum of two of their representatives (who may or may not also be involved in the Joint Steering Committee) to serve on a joint working committee. The working committee shall meet or hold teleconferences at least every two weeks or more frequently as needed to maintain progress. Issues that cannot be resolved by the working committee (that is, any disputes) will be referred to the Joint Steering Committee for resolution or escalation in accordance with Section 2.5.

2.7 Development Budget.

(a) Generally. The estimated budget for the Development Program is set forth in Exhibit C attached hereto (the "Budget"). The parties agree that the Budget is an estimate of the costs for the Development Program, based on currently anticipated Tasks, Timelines and expenses, and that the actual costs of the Development Program may differ from the costs estimated in the Budget.

(b) Changes. The parties acknowledge that the Budget has been based in part upon certain assumptions, as specified in Exhibit C. Any failure of those assumptions, or any change to the Development Program itself (including without limitation any changes to the Tasks, Timeline, nature of the Product being developed, or obligations of the parties hereunder), may result in a change to the costs of the Development Program such that a modification of the Budget is warranted. Either party may propose, and the other party will in good faith consider and, where appropriate, promptly approve, changes to the Budget to account for any such changes or failed assumptions. Agile acknowledges that in no event will Corium be obligated to perform any tasks or incur any expenses that are not identified in the Budget except to the extent the parties agree in writing upon additional compensation to be paid to Corium in connection with such tasks or expenses.

2.8 Development Compensation and Payment.

(a) Compensation. Agile will pay Corium the non-refundable Prepayment, milestone payments and other fees and expenses associated with Corium's efforts under the Development Program, as specifically set forth in the attached Exhibit D, which Exhibit shall be updated as needed to reflect any Budget changes that are made pursuant to Section 2.6(b) above. Whether or not specified in Exhibit D, Agile agrees to pay Corium for: (i) all material and supplies purchased by Corium under an Agile-approved purchase request (which purchase requests may be made by Corium and/or approved by Agile either verbally or in writing) in performance of the Development Program, which will be billed to Agile at Corium's cost plus [*]; (ii) the purchase of dedicated equipment identified in the Budget, which will be billed to Agile at Corium's cost; and (iii) any travel or other incidental reasonable and appropriate expenses incurred in performance of the Development Program, which will be billed to Agile at Corium's cost. Amounts described in the preceding sentence may be invoiced as they are incurred by Corium.

(b) Payment Terms. Except as expressly specified in this Agreement or as otherwise agreed to in writing by the parties, Agile will pay any fees, expenses, transfer prices, and other charges payable to Corium hereunder within [*] following the date of Corium's invoice. Late payments will accrue interest at a rate of [*]. Agile will bear its own costs and expenses incurred in fulfilling its obligations with respect to the Development Program.

2.9 Regulatory Filings; Clinical Trials. Agile shall, at its own expense, draft, submit and maintain any appropriate NDA for the Product, including all amendments and supplements to the FDA, and use reasonable efforts to obtain FDA approval for the commercialization of the Product as progress under the Development Program permits. Agile shall also be responsible, at its own expense, for any pre-clinical, clinical and other trials and tests of the Product, except as

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expressly stated otherwise in the Development Program. In the event Agile desires to obtain regulatory approval of the Product outside of the United States, such efforts will be at Agile's cost and expense unless otherwise negotiated. With respect to filings reasonably required by Agile in connection with regulatory approval matters (including without limitation any updates to the CMC information) and any recordkeeping, audits and inspections required, or requests or inquiries made, by regulatory authorities relating to the manufacture of the Product by Corium hereunder, Corium will reasonably and timely cooperate with Agile to provide such information and support as Agile shall reasonably request. Reasonable costs incurred by Corium in supporting Agile's regulatory activities described in this Section 2.9 shall be reimbursed by Agile.

ARTICLE 3 — MANUFACTURE AND SUPPLY OF PRODUCT

3.1 Manufacturing Responsibility. Subject to the terms and conditions of this Agreement, Corium will use commercially reasonable efforts: (i) to supply quantities of the Product to Agile, in accordance with the Development Program, for pre-Launch-Date testing and clinical studies as Agile shall from time to time request; and (ii) after the Launch Date of the Product and throughout the remainder of the Term, to maintain Corium's manufacturing capability for the Product and to sell Products to Agile as necessary to satisfy Agile's quantity requirements of such Products, as such requirements are reflected in forecasts submitted by Agile to Corium as provided in Section 3.3(b).

3.2 Exclusivity. For a period of [*] after the Launch Date or such longer period as the parties may mutually agree upon in writing (the "Exclusive Supply Period"), Agile shall purchase all of its requirements of the Product exclusively from Corium, subject to the provisions of Section 3.4 below.

3.3 Supply Terms. The parties will negotiate in good faith to establish definitive, commercially reasonable terms and conditions applicable to the commercial supply of Products by Corium to Agile (the "Supply Terms"). Such terms and conditions shall be appended to this Agreement as an exhibit, which shall become binding upon the parties' mutual execution thereof, and shall apply to all subsequent orders of Products during the Term, unless expressly amended or otherwise agreed by the parties in writing. The parties hereby agree that the following minimum terms and conditions will apply to Corium's supply of Products hereunder, and the Supply Terms shall include provisions that are consistent with each of the following.

(a) Pricing and Payment. The parties will work in good faith to establish mutually agreeable Product transfer prices. In order to facilitate such agreement for post-Launch-Date sales, Agile will provide Corium with a good-faith, non-binding sales forecast of Products for the [*] period following the Launch Date. Such non-binding sales forecast shall be updated as Agile's anticipated volume requirements change, and in any event, Agile will provide Corium with an updated forecast [*] prior to the Launch Date. Payments for Products will be made in accordance with Section 2.8(b). Agile will be responsible for all packing, shipping, customs and similar charges, as well as all taxes payable by either party with respect to the purchase, sale or delivery of the Products (other than Corium's income taxes).

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(b) Forecasting. Beginning [*] prior to the Launch Date, Agile will provide Corium, on a quarterly basis, with written rolling forecasts of Agile's quantity requirements for the Product for each of the next [*] (the "Purchase Forecast"). Corium may utilize the Purchase Forecast to purchase material so ordered in good faith in sufficient volumes reasonably required to meet production requirements for the Product during all or part of the forecasted period or any longer forecasted period that the parties may agree to. In the event that the materials are not used in Product purchased by Agile within [*] after the forecast in respect of which such purchases have been made, Agile will pay to Corium its costs thereof and, in the event such materials are incorporated into Product subsequently purchased by Agile, Agile will receive credit for any such costs previously paid to Corium by Agile.

(c) Ordering. Agile shall place firm (i.e. non-cancelable) purchase orders ("Purchase Orders") at least [*] prior to the Launch Date for the first quarter's Product requirements. Following the Launch Date, Agile shall place firm Purchase Orders for each quarter's Product requirements in accordance with the current Purchase Forecast, which Purchase Orders shall be placed [*] in advance of the first required ship date for such quarter's Product requirements. Each Purchase Order must reference this Agreement and include ordering information such as Product identifier, quantity, unit price, requested delivery dates and delivery locations, shipping and packaging instructions, and any special terms and conditions applicable to the Products (collectively, "Ordering Information"). Beginning [*] after the Launch Date, Agile must actually purchase at least [*] of the quantities specified in the most recent Purchase Forecast when placing Purchase Orders for the applicable quarter, and Corium shall have no obligation to fulfill orders for more than [*] of such quantities unless previously approved by Corium in writing, which approval may be conditioned on the payment by Agile of reasonable additional compensation to account for costs or expenses reasonably incurred by Corium in connection with or resulting from the out-of-forecast order.

(d) Acceptance of Orders. Within [*] following Corium's receipt of each Purchase Order, Corium will acknowledge receipt thereof and accept the delivery dates set forth in the Purchase Order or provide alternate delivery dates. Within [*] following Agile's receipt of any such alternate delivery dates, Agile will either: (i) notify Corium that it rejects such dates (in which case the Purchase Order will be deemed cancelled and of no effect); or (ii) accept such dates by issuing a confirming Purchase Order, which will be deemed accepted by Corium upon receipt. Once Corium has accepted a Purchase Order, such Purchase Order will not be cancelable or modifiable.

(e) No Conflicting Terms. Except for Ordering Information, any terms and conditions contained in a Purchase Order or in Corium's quotation or order acknowledgment forms that are inconsistent with or in addition to the terms and conditions of this Agreement (including the Supply Terms) are hereby rejected by Corium and will be deemed null and of no effect.

(f) Minimum Order Quantities. Agile's orders must meet or exceed certain minimum quantity requirements, which the parties will mutually establish in the Supply Terms to account for Corium's ongoing costs associated with maintaining production capability for the Products.

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(g) Delivery, Invoice and Payment. For all shipments of Products to Agile, Corium may choose the mode of shipment and carrier. All Products shall be packed for shipping as mutually agreed by the parties, and marked for delivery to Agile, FOB Corium's manufacturing facility. Risk of loss shall pass to Agile upon carrier's receipt of the Products from Corium. Agreed upon delivery dates are estimates only. Corium will use commercially reasonable efforts to meet those delivery dates but shall not be liable to Agile for delayed delivery. Corium may invoice Agile for Products upon Corium's shipment of such Products in accordance with this paragraph, and Agile shall pay such invoices on the terms set forth in Section 2.8(b).

(h) Acceptance of Products. Agile will have a period of [*] business days following the receipt of each shipment of the Products to notify Corium of any discrepancies in the shipment quantity. Agile will have a period of [*] days following the receipt of the Products to test and inspect the Products and to notify Corium of: (i) any nonconformities of the Product with the applicable Product Specification; or (ii) any defects in material or workmanship; provided that Agile may, upon Corium's prior approval (not to be unreasonably withheld), extend such [*] if reasonably necessary to complete Product testing. Agile will notify Corium in writing of its acceptance or rejection of any portion of any delivery of the Products prior to the expiration of such [*] period unless extended as permitted above. Any Products not rejected within such period, as it may be so extended, will be deemed accepted.

(i) Warranty. The Supply Terms shall create no Product-related warranties beyond those set forth in Section 7.3.

(j) Disclaimer and Limitations of Liability. The parties' activities relating to the supply of Products to Agile shall be subject to the disclaimers, limitations of liability, exclusions of damages, and other terms set forth in Section 7.5 and Article 9 hereof.

3.4 Agile's Manufacturing Right.

(a) Qualification of Second Source. Agile will have the right to manufacture the Product itself or qualify one or more Third Party Manufacturers as a second source for supply of the Product, at Agile's expense; provided, however, that for the duration of the Exclusive Supply Period, such Third Party Manufacturer may supply Agile with Products for commercial sale, and Agile may manufacture Products for commercial sale, only to the extent expressly permitted in clause (b) below. In support of such second-source qualification, Agile may provide the Third Party Manufacturer with any data and documentation created under the Agreement that is specific to the Product and reasonably necessary for its manufacture. Any such disclosure shall be made in confidence and shall, at a minimum, be subject to the provisions of Section 4.3 below.

(b) Second-Source Manufacturing. Agile shall have the right to manufacture the Product, and/or have the Product manufactured by an Affiliate or a Third Party Manufacturer qualified as a second source as permitted above, in the event that: (i) [*] ("Supply Failure") and (ii) Corium fails to cure such Supply Failure within an additional [*] after Agile's written request for cure. Notwithstanding the foregoing, Corium may resume manufacturing Product no later than [*] after Corium provides written notice to Agile that it has cured the Supply Failure

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problem and is able to manufacture Product. If the Supply Failure was caused by a force majeure event (as that term is used in Section 11.7 below) such resumed manufacturing shall be on an exclusive basis for the remainder of the Exclusive Supply Period. In all other cases, such resumed manufacturing shall be on a non-exclusive basis (meaning that Agile may also continue to manufacture the Product or purchase Product from its Third Party Manufacturer), provided in any event that Agile will source no less than [*] of its Product requirements to Corium for the duration of the Exclusive Supply Period after such resumption of manufacturing.

(c) Technical Support. To facilitate an orderly transfer of the manufacture of the Product to a qualified second source in the event Agile exercises its rights under Section 3.4(b), Corium shall provide the Third Party Manufacturer with all necessary technical assistance in the form of reasonable consulting services to be provided by Corium personnel at Agile's or the Third Party Manufacturer's facility. Such consulting services shall not require Corium to divulge any proprietary Know-How unless pursuant to specific licensing, confidentiality and compensation terms and conditions expressly agreed to by Corium in advance.

(d) Supporting License. Corium shall grant to Agile and/or its designated Affiliate or Third Party Manufacturers, as directed by Agile, a non-exclusive, non-transferable, non-sublicensable, limited right to use and practice the Corium Intellectual Property during the Exclusive Supply Period, but solely to the extent necessary to enable Agile and/or such Affiliate or Third Party Manufacturer to manufacture the Product for Agile pursuant to Section 3.4(b). The license granted under this Section 3.4(d) shall [*] unless and until such time as Corium resumes manufacture of the Product as provided in Section 3.4(b), at which time such license shall [*]

3.5 Manufacturing Audit. Agile, either itself or through or with its representatives, shall have the right, once each calendar year, or more often if there is a legitimate basis for unusual concern (such as a change in, or material noncompliance with, applicable laws, regulations and governmental guidelines), upon reasonable notice and during normal business hours, to subject the manufacturing facilities where Corium manufactures, or has manufactured, Product to a cGMP audit or inspection at Agile's expense. This inspection shall be conducted to ensure compliance with all requirements of applicable laws and regulations, including cGMPs, and all applicable guidelines promulgated by the FDA and other relevant regulatory agencies, as well as applicable evolving standards required by the FDA and other relevant regulatory agencies. Such inspection and auditing shall be permitted upon reasonable notice and during normal business hours, taking into account Corium's manufacturing cycle of Product.

3.6 Notice of Inspections. Corium shall immediately notify Agile of any inspection of its or any of its Affiliates' facilities (or of any facilities of its or their licensees, distributors, contractors, subcontractors or agents) related to the Product or the API by any regulatory agency, including the FDA, and shall send Agile copies of any written reports or correspondence to or from any regulatory agency relating to such inspection. Such reports may exclude any trade secrets of Corium that are unrelated to the activities under this Agreement. Corium shall permit the relevant governmental authorities to inspect its facilities and records in connection with the activities contemplated by this Agreement.

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ARTICLE 4 — CONFIDENTIALITY AND LEGAL DUTIES

4.1 Definition. "Confidential Information" means: (a) all information related to the Products, including, without limitation, documentation, drawings, designs and specifications; (b) any non-public information of a party, including, without limitation, any information relating to a party's technology, techniques, know-how, research, designs, finances, accounts, procurement requirements, manufacturing, customer lists, business forecasts and marketing plans; (c) any other information of a party that is disclosed in writing or electronically and is designated as "Confidential" or "Proprietary" at the time of disclosure, in the covering letter or transmission or otherwise, or that if disclosed orally, is identified as "Confidential" or "Proprietary" at the time of disclosure and confirmed as such in a writing sent by the disclosing party to the receiving party within thirty (30) days of any such disclosure; and (d) the specific terms and pricing of this Agreement (including any Product transfer prices).

4.2 Exclusions. The obligations in Section 4.3 will not apply to the extent that it can be demonstrated that any Confidential Information: (a) is or becomes generally known to the public through no fault of or breach of this Agreement by the receiving party; (b) was rightfully in the receiving party's possession at the time of disclosure, without an obligation of confidentiality; (c) is independently developed by the receiving party without use of the disclosing party's Confidential Information; or (d) is rightfully obtained by the receiving party from a third party without restriction on use or disclosure.

4.3 Obligations. For the term of this Agreement and for [*] thereafter, each party agrees not to use the other party's Confidential Information, except as necessary for the performance of this Agreement, and shall not disclose such Confidential Information to any third party, except to those of its employees and subcontractors who need to know such Confidential Information for the performance of this Agreement or as otherwise expressly permitted in this Agreement, provided that each such employee, subcontractor, and other authorized third party is subject to a written agreement that includes binding use and disclosure restrictions that are at least as protective as those set forth herein. Each party will use all reasonable efforts to maintain the confidentiality of the other party's Confidential Information in its possession or control, but in no event less than the efforts that it ordinarily uses with respect to its own confidential information of similar nature and importance. The foregoing obligations will not restrict either party from: (i) disclosing Confidential Information pursuant to the order or requirement of a court, administrative agency, or other governmental body, provided that the party required to make such disclosure gives reasonable notice to the other party to enable it to contest such order or requirement; or (ii) disclosing the terms or pricing of this Agreement, in confidence, to its business and legal advisors or to investors or acquirers who are engaged in active due diligence regarding a financing or acquisition of such party.

4.4 Compliance with Laws. Each party agrees to comply with all material laws and regulations applicable to it and to use its commercially reasonable efforts to perform its responsibilities and duties as described in this Agreement. Each party represents that neither it nor any of its current employees has been debarred or is subject to debarment proceedings by the FDA. If any such proceedings are commenced against a party hereto (or any of its employees) during the Term, such party shall notify the other party in writing within five business days of the commencement of such proceedings, and shall keep the other party informed, on a regular

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basis, of the status of such proceedings. Neither Corium nor Agile shall employ any persons or entities that have been debarred, or that are subject to debarment proceedings, for any aspect of the development, manufacturing or testing of the Products.

ARTICLE 5 — IP OWNERSHIP AND LICENSE

5.1 Intellectual Property Ownership.

(a) Corium Background Technology and Inventions. Corium is and will be the sole and exclusive owner of: (i) the Corium Background Technology; and (ii) except as otherwise set forth in Section 5.1(c) hereof, any Inventions that relate to the Corium Background Technology, including but not limited to any improvements or enhancements to such Corium Background Technology, that are developed solely or jointly by either or both of the parties in connection with this Agreement ("Corium Foreground Inventions"); and (iii) all intellectual property rights in and to any of the foregoing. Agile agrees to assign, and does hereby irrevocably assign, any and all of its right, title, and interest in and to all of the foregoing to Corium.

(b) Agile Background Technology and Inventions. Agile is and will be the sole and exclusive owner of: (i) the Agile Background Technology; (ii) except as otherwise set forth in Section 5.1(c) hereof, any Inventions that relate to the Agile Background Technology, including but not limited to any improvements or enhancements to such Agile Background Technology, that are developed solely or jointly by either or both of the parties in connection with this Agreement ("Agile Foreground Inventions"); and (iii) all intellectual property rights in and to any of the foregoing. Corium agrees to assign, and does hereby assign, any and all of its right, title, and interest in and to all of the foregoing to Agile.

(c) Dual Background Inventions. Any Inventions that relate to both the Corium Background Technology and the Agile Background Technology that are developed solely or jointly by either or both parties in connection with this Agreement ("Dual Background Inventions") shall be considered a Corium Foreground Invention for all purposes under this Agreement, except that the use of such Invention in the Product shall not, by itself, trigger a royalty obligation under Sections 5.2(b) and 6.1.

(d) Other Inventions. The parties will jointly own any Inventions that do not relate to either Corium's Background Technology or Agile's Background Technology that both parties' employees or contractors jointly develop or invent in connection with this Agreement ("Joint Inventions"). A party will solely own any Inventions that do not relate to either Corium's Background Technology or Agile's Background Technology that are solely developed or invented by such party in connection with the Agreement.

(e) Resolution of Certain Ownership Conflicts. Notwithstanding clauses (a) and (b) of this Section 5.1, in the event that both parties in good faith claim ownership of the same Invention under those Sections, each party shall disclose the basis of such claim (including documentary support where applicable) to the other party, and the parties shall in good faith meet and confer to agree upon the ownership of such Invention and the parties' respective rights to practice or exploit such Invention. Such discussions and agreement will take into account the

parties' relative roles in the development of the Invention, the degree to which the Invention relates to each party's background technology and each party's business in general, and any relevant contractual obligations of either party that predate this Agreement. The parties will execute such assignments and other documents as are appropriate to give effect to any agreement reached under this Section 5.1(e). Unless otherwise agreed by the parties, the Invention at issue shall, for purposes of this Agreement, be considered a Corium Foreground Invention if it is determined through the process described above that the Invention should be owned solely by Corium, an Agile Foreground Invention if it is determined through the process described above that the Invention should be owned solely by Agile, a Dual Background Invention if it is determined through the process described above that the Invention relates to both the Corium Background Technology and the Agile Background Technology, and a Joint Invention if it is determined through the process described above that the Invention does not relate to either the Corium Background Technology or the Agile Background Technology and should be owned by the parties jointly. Pending resolution of conflicting ownership claims under this clause, however, the Invention at issue shall be considered a Corium Foreground Invention for all purposes under this Agreement, except that the Invention shall not be considered to be part of the Corium Intellectual Property for purposes of Sections 5.2(b) and 6.1 (that is, the use of such Invention in the Product shall not trigger a royalty obligation under those Sections).

5.2 Licenses to Agile.

(a) During Exclusive Supply Period. During the Exclusive Supply Period, and subject to the terms and conditions of this Agreement, Corium hereby grants to Agile an exclusive, transferable (but only as permitted in Section 11.6), non-sublicensable, royalty-free license under the Corium Intellectual Property to use, market, sell (directly or through multiple tiers of distribution), offer to sell and otherwise commercially exploit Product manufactured by Corium (or by another party in accordance with Section 3.4(b)) in the Territory.

(b) After Exclusive Supply Period. After the Exclusive Supply Period, Corium hereby grants to Agile an exclusive, transferable (but only as permitted in Section 11.6), royalty-bearing license under all of the Corium Intellectual Property, subject to the terms and conditions of this Agreement and Agile's payment of all royalties due under Article 6, to make, have made, market, sell (directly or through multiple tiers of distribution), offer to sell, use, import and otherwise commercially exploit the Product in the Territory. Agile may sublicense these rights to any one or more third parties (each of the foregoing, a "Sublicensee"), but only if: (i) such sublicense is granted in furtherance of an active strategic relationship between Agile and the Sublicensee for the cooperative manufacture, marketing, sale or offer to sell the Product in the Territory; (ii) the Sublicensee agrees in writing to be bound by all of the obligations, limitations and restrictions applicable to Agile's license rights under this Agreement to the extent applicable, including but not limited to the royalty and audit provisions hereof, which agreement must name Corium as a third-party beneficiary of such obligations, limitations and restrictions; (iii) such Sublicensee is prohibited from granting any further sublicenses under any of the Corium Intellectual Property; and (iv) Agile does not grant more than [*] such sublicenses and no more than [*] such sublicense in any geographic territory. To the extent Agile requests approval to grant sublicenses to more than [*] Sublicensees, Corium shall not unreasonably withhold, delay or condition such approval as long as the additional Sublicensees are limited to

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[*] per geographic area. For the avoidance of doubt, the parties acknowledge and agree that a sublicense granted to an entity acting for and on behalf of itself and its subsidiaries and/or other Affiliates shall be considered to be granted to a single Sublicensee for purposes of this Section and that the "have made" license granted hereunder shall permit a Sublicensee to have Products manufactured by a third party contract manufacturer (but solely for and on behalf of that Sublicensee). In support of the license granted in this Section 5.2(b), Agile may provide any Sublicensee with any data and documentation created under the Agreement that is specific to the Product and reasonably necessary for its manufacture. Any such disclosure shall be made in confidence and shall, at a minimum, be subject to the provisions of Section 4.3 above. To facilitate an orderly transfer of the manufacture of the Product pursuant to the license granted in this Section 5.2(b), Agile may request, and Corium may (in its sole discretion) elect whether to provide, technical assistance in the form of reasonable consulting services at Agile's or the Sublicensees' facilities. Agile shall bear the cost of any such technical assistance. Neither this Section, nor Corium's election to provide any assistance requested hereunder, shall be construed as obligating Corium to divulge any proprietary Know-How unless pursuant to specific licensing, confidentiality and additional compensation terms and conditions expressly agreed to by Corium in advance.

(c) Nature of Exclusivity. For the avoidance of doubt, the parties acknowledge that the exclusivity of the licenses under Sections 5.2(a) and 5.2(b) shall apply even as to Corium, meaning that Corium shall not make any use of Corium Intellectual Property to develop or manufacture the Product for any third party without Agile's express authorization. The parties further acknowledge that such exclusivity will be limited and apply only to the Product, and shall not be construed as granting any rights to Agile, or as limiting Corium's ability to practice or license the Corium Intellectual Property, with respect to any products or services other than the Product as specifically defined in this Agreement. This limitation on exclusivity shall not, however, be construed as: (i) granting to Corium any ownership or other rights (other than those expressly granted under the terms of this Agreement) with respect to the Agile Background Technology, Agile Foreground Inventions, or any other Agile Intellectual Property (including but not limited to Agile's proprietary permeation enhancer technologies); or (ii) prohibiting Agile from practicing or exploiting any of the same in other products and applications.

5.3 License to Corium. Agile grants to Corium, during the Term of this Agreement and subject to the terms and conditions hereof, an exclusive, royalty-free, transferable (but only as permitted in Section 11.6) license to practice the Agile Intellectual Property in order to manufacture the Product and to perform Corium's other obligations under this Agreement. The exclusivity of the foregoing license shall be subject to a reservation of rights by Agile to practice the Agile Intellectual Property, or to authorize any Affiliate or Third Party Manufacturer to do the same, in the course of manufacturing the Products solely as permitted under Section 3.4 above.

5.4 License Limitations and Restrictions. Each party's rights with respect to the intellectual property (including but not limited to Know-How and other Inventions) of the other party are limited to those licenses expressly granted under this Agreement. No license or other rights are granted by implication, estoppel, or otherwise. Neither party shall make any use of the

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other's intellectual property (including but not limited to its Know-How and other Inventions) except as expressly authorized in this Agreement or as subsequently and expressly authorized by the other party in writing.

ARTICLE 6 - ROYALTIES

6.1 Royalties Generally. Until the later to occur of the later of the following, on a jurisdiction-by-jurisdiction basis: (i) [*] and (ii) [*] after the first commercial sale of the Product, Agile will pay Corium a royalty on Net Sales at a rate to be established by mutual written agreement ([*]) with respect to all Products that are not manufactured by Corium under this Agreement provided that Corium Intellectual Property is embodied in the Product or utilized in its manufacture. For the avoidance of doubt, the parties acknowledge that sales of Product units manufactured by Corium under this Agreement do not accrue Gross Sales, and accordingly, no royalties shall be payable by Agile on account of such units.

6.2 Timing and Manner of Payment. All royalties accruing under this Agreement shall be paid no later than [*] after the end of the calendar quarter in which such royalties accrued, and shall be accompanied by a written report (and such backup documentation as Corium may reasonably request) demonstrating the computation of such royalty payment. Payments shall be made in United States dollars without any deduction or withholding for or on account of any taxes, duties, levies, fees or charges except those taxes or duties levied against Corium which are legally required to be withheld by Agile. Late payments will accrue interest at a rate of [*] per month.

6.3 Books of Account; Audit. Agile shall maintain, and cause its Affiliates and Sublicensees to maintain (if applicable), true and complete books of account containing an accurate record of all data necessary for the proper computation of royalties due from it under this Agreement. So long as any royalties accrue under this Agreement and for a period of [*] thereafter, upon at least [*] business days prior written notice to Agile and prearrangement, Corium will have the right to have an independent auditor selected by Corium audit Agile's, its Affiliates', and its Sublicensees' (if applicable) books, records and accounts for the purpose of verifying the accuracy of the amount of royalties reported by Agile. Any such audit shall be conducted during the normal business hours of the audited party and no more frequently than once per year (except as provided below). If the auditor concludes that additional royalties were owed during the audited period, Agile will pay such additional royalties plus interest calculated in accordance with Section 6.2, within thirty (30) calendar days of the date Corium delivers the auditor's written report to Agile. If the auditor concludes that that royalties were overpaid during the audited period, Corium will, within thirty (30) days after the audit report, refund to Agile all amounts overpaid. Corium will pay the fees and expenses charged by the auditor; provided, however, if the audit indicates that the royalties payable by Agile for the audited period are more than [*] of the amounts actually paid for such period, then Agile will pay the reasonable fees and expenses charged by the auditor.

ARTICLE 7 — REPRESENTATIONS AND WARRANTIES

7.1 Mutual Representations and Warranties. Each of Agile and Corium represents and warrants to the other that: (i) such party has all requisite corporate power to enter into this

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Agreement, (ii) neither the execution and delivery by such party of this Agreement nor the consummation by such party of the transactions contemplated hereby nor the compliance by such party with any of the provisions hereof will violate any order, writ, injunction, decree, law, statute, rule, regulation, agreement or other restriction applicable to it or require the consent, approval, permission or other authorization of, or qualification or filing with or notice to, any court, arbitrator or other tribunal or any governmental, administrative, regulatory or self-regulatory agency or any other third party, and (iii) this Agreement has been duly executed and delivered by such party and constitutes the legal, valid and binding agreement of such party, enforceable against it in accordance with its terms.

7.2 Non-Infringement Warranties. Agile represents and warrants that, to the best of its knowledge as of the Effective Date, no third-party intellectual property rights are or will be infringed or otherwise violated by the Agile Background Technology or its use in the manner contemplated by this Agreement. Corium represents and warrants that, to the best of its knowledge as of the Effective Date, no third-party intellectual property rights are or will be infringed or otherwise violated by the Corium Background Technology or its use in the manner contemplated by this Agreement.

7.3 Product Warranty. Corium warrants that all Products supplied by Corium shall meet the applicable Product Specification, shall be free from material defects in materials or workmanship, and shall be manufactured in compliance with all applicable laws and cGMP. Subject to Sections 7.4 and 8.1 below (and without limiting the remedies and indemnification obligations set forth therein), Agile's sole and exclusive remedy for breach of warranty shall be for Corium, at its election, to replace the non-conforming Products or refund Agile's purchase price for such Products.

7.4 Recalls and Market Withdrawals. In the event Agile determines an event, incident or circumstance has occurred that may result in the need for a recall or market withdrawal of any Products manufactured by Corium under this Agreement, and any such recall or similar action is required as a result of Corium's improper manufacture or packaging of the Product, Corium shall bear the expenses of such recall or similar action, up to a limit of: (i) [*] (ii) [*]. Such expenses of recall shall include, without limitation and without duplication (but subject to the limit identified above), [*]. The rights of Agile under this Section 7.4 shall be in addition to, and not in lieu of, any other rights that Agile may have under this Agreement.

7.5 Disclaimer. THE WARRANTIES SET FORTH IN SECTION 7.3 ABOVE ARE CORIUM'S EXCLUSIVE WARRANTIES TO AGILE WITH RESPECT TO THE PRODUCT AND CORIUM'S MANUFACTURE THEREOF, AND ARE GIVEN AND ACCEPTED IN LIEU OF ANY AND ALL OTHER WARRANTIES, GUARANTEES, CONDITIONS AND REPRESENTATIONS, EXPRESS OR IMPLIED, CONCERNING THE PRODUCT OR ITS MANUFACTURE. IN PARTICULAR, AND WITHOUT LIMITING THE FOREGOING, CORIUM DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

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ARTICLE 8 - INDEMNIFICATION; INSURANCE

8.1 By Corium. Corium agrees to defend, indemnify and hold Agile, its officers, employees and agents harmless from and against any and all losses, damages, fines, costs, claims, demands, judgments and liability to, from and in favor of third parties resulting from, or relating to: (i) Corium's breach of its representations or warranties under Sections 7.1 through 7.3 of this Agreement, or (ii) the gross negligence or willful misconduct of Corium or any of its employees, contractors or agents related to the development, manufacture, packaging or testing of the Product, in each case except to the extent that any such losses, damages, fines, costs, claims, demands, judgments and liability are due to the negligence or wrongful act(s) of Agile, its officers, employees or agents.

8.2 By Agile. Agile agrees to defend, indemnify and hold Corium, its officers, employees and agents harmless from and against any and all losses, damages, fines, costs, claims, demands, judgments and liability to, from and in favor of third parties resulting from, or relating to: (i) Agile's breach of its representations or warranties under Article 7 of this Agreement, (ii) any actions or omissions of Agile or any of its employees, contractors, licensees, Sublicensees, customers or agents related to the development, testing, manufacture, marketing, sale, commercialization, use, or misuse of the Product, including without limitation clinical studies and trials, or (iii) any product liability claims relating to the Product, in each case except to the extent that any of the foregoing losses, damages, fines, costs, claims, demands, judgments and liability are due to the negligence or wrongful act(s) of Corium, its officers, employees or agents.

8.3 Procedure. To obtain indemnification under this Article, the party seeking indemnification must: (i) promptly notify the other party of the claim; (ii) tender full authority and control over the defense and settlement of the claim to the indemnifying party; and (iii) provide the indemnifying party (at the latter's request and expense) with all reasonably necessary information and cooperation in such defense and settlement. The indemnifying party shall not enter into any settlement that adversely affects the other party's interests without such other party's prior consent. The indemnified party shall be entitled to participate in any proceedings on its own behalf and at its own expense.

8.4 Insurance. Corium shall maintain appropriate general liability and products liability insurance at all times necessary to insure its indemnification obligations under this Agreement. Each such policy shall name Agile as an additional insured.

ARTICLE 9 - LIMITATION OF LIABILITY

9.1 Exclusion of Damages. EXCEPT FOR LIABILITY ARISING UNDER SECTION 7.4 (WHICH IS SUBJECT TO THE SEPARATE LIMITATION SET FORTH THEREIN) AND EXCEPT FOR THE PARTIES' INDEMNIFICATION OBLIGATIONS UNDER ARTICLE 8 OR CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 4, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR FOR COSTS OF PROCURING SUBSTITUTE PRODUCTS, WHETHER THE CLAIM IS BASED UPON CONTRACT, WARRANTY, TORT, NEGLIGENCE, PRODUCT LIABILITY, OR STRICT

LIABILITY THEORIES OR OTHERWISE RELATES TO THE FAILURE TO PERFORM ANY OBLIGATIONS SET FORTH HEREIN.

9.2 Liability Limitation. EXCEPT FOR LIABILITY ARISING UNDER SECTION 7.4 (WHICH IS SUBJECT TO THE SEPARATE LIMITATION SET FORTH THEREIN) AND EXCEPT FOR CORIUM'S INDEMNIFICATION OBLIGATIONS UNDER ARTICLE 8 OR BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 4, IN NO EVENT SHALL CORIUM'S LIABILITY TO AGILE IN CONNECTION WITH THIS AGREEMENT FOR ALL CAUSES OF ACTION AND UNDER ALL THEORIES OF LIABILITY EXCEED [*].

9.3 Scope of Exclusions and Limitations. THE FOREGOING LIMITATIONS AND EXCLUSIONS ARE AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN PARTIES, AND THE PARTIES AGREE THAT THESE LIMITATIONS WILL SURVIVE AND APPLY WHETHER OR NOT A PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF ANY PARTICULAR DAMAGES, AND EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE OR OTHERWISE. THIS ARTICLE 9 SHALL NOT, HOWEVER, BE CONSTRUED AS LIMITING EITHER PARTY'S LIABILITY FOR INFRINGEMENT OR MISAPPROPRIATION OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS.

ARTICLE 10 - TERM AND TERMINATION: MODIFICATION OF RIGHTS

10.1 Term. The term of this Agreement (the "Term") shall commence on the Effective Date and shall continue until the earlier of (i) termination pursuant to Section 10.2, or (ii) the end of the Exclusive Supply Period.

10.2 Termination Events. This Agreement shall be terminated only in the following manner, upon the occurrence of any of the events set forth in this Section 10.2:

(a) The parties may terminate this Agreement at any time by written mutual agreement.

(b) Either party may terminate this Agreement upon a material breach by the other party; provided that the terminating party shall provide the breaching party with a written notice reasonably detailing such breach and such breach or default is not cured within [*] after receipt of such notice.

(c) Agile may terminate this Agreement upon ten (10) days' prior written notice to Corium upon the occurrence of any of the following events: (i) [*]; (ii) [*]; or (iii) [*].

10.3 Effect of Termination. Upon expiration or termination of this Agreement: (i) the Exclusive Supply Period shall be deemed to have ended notwithstanding anything to the contrary herein; (ii) at the request of Agile, Corium will deliver any work-in-process and Agile-owned equipment to Agile; (iii) Agile will pay Corium any earned but unpaid milestone payments and reimburse Corium, at Corium's standard rates, for any uncompensated labor, materials, supplies, equipment, and incidental costs (to the extent such costs were consistent with the Development

Program and then-current Budget and were incurred prior to the expiration or termination date); and (iv) subject to Sections 10.4, 10.5 and 10.6 below, all of the parties' other rights and obligations under this Agreement shall cease.

10.4 Survival of Licenses. The licenses granted to Agile under Section 5.2(b) shall survive expiration or termination of this Agreement on a perpetual basis; provided, however, that the license granted to Agile under Section 5.2(b) shall remain subject to Agile's continuing payment of all applicable royalties and its ongoing compliance with the other conditions, restrictions and limitations of such license. Agile acknowledges that the license granted under Section 5.2(b) is subject to termination, independent of the rest of this Agreement, in the event that Agile violates any of those conditions, restrictions or limitations (including but not limited to Agile's royalty obligations, as applicable). Notwithstanding anything to the contrary set forth in this Agreement, Agile may terminate the license granted to Agile under Section 5.2(b) at any time upon written notice to Corium.

10.5 Survival. The following provisions shall survive any termination or expiration of this Agreement: Article 1, Section 2.8 (to the extent of any unpaid amounts), Section 2.9, Article 4, Section 5.1, Section 5.2(b) and (c) (subject to Section 10.4 above), Section 5.4, Articles 6 through 9, Sections 10.2(b) through 10.6, and Article 11.

10.6 Rights on Termination. Expiration or termination of this Agreement for any reason shall be without prejudice to (i) either party's rights under this Agreement with respect to claims arising out of events occurring prior to such expiration or termination; (ii) Corium's right to receive all payments owed or accrued under this Agreement for periods prior to the date of expiration or termination; and (iii) any other remedies which either party may otherwise have.

ARTICLE 11 — MISCELLANEOUS

11.1 Waiver and Amendment. Any waiver by any party hereto of a breach of any provisions of this Agreement shall not be implied and shall not be valid unless such waiver is recited in writing and signed by such party. Failure of any party to require, in one or more instances, performance by the other party in strict accordance with the terms and conditions of this Agreement shall not be deemed a waiver or relinquishment of the future performance of any such terms or conditions or of any other terms and conditions of this Agreement. A waiver by either party of any term or condition of this Agreement shall not be deemed or construed to be a waiver of such term or condition for any other term. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be a limitation of any other remedy, right, undertaking, obligation or agreement of either party. This Agreement may not be amended except in writing, signed by both parties.

11.2 Relationship of the Parties. For all purposes of this Agreement, Corium and Agile shall be deemed to be independent entities and anything in this Agreement to the contrary notwithstanding, nothing herein shall be deemed to constitute Corium and Agile as partners, joint ventures, co-owners, an association or any entity separate and apart from each party itself, nor shall this Agreement constitute any party hereto an employee or agent, legal or otherwise, of the other party for any purposes whatsoever. Neither party hereto is authorized to make any statements or representations on behalf of the other party or in any way obligate the other party,

except as expressly authorized in writing by the other party. Anything in this Agreement to the contrary notwithstanding, no party hereto shall assume nor shall be liable for any liabilities or obligations of the other party, whether past, present or future.

11.3 Headings. The headings set forth at the beginning of the various Articles of this Agreement are for reference and convenience and shall not affect the meanings of the provisions of this Agreement.

11.4 Notices. Notices required under this Agreement shall be in writing and sent by registered or certified mail, postage prepaid, or by telex or facsimile and confirmed by registered or certified mail and addressed as follows:

If to Agile: Agile Therapeutics, Inc.

366 Wall Street
Princeton, NJ 08540
Facsimile: (609) 347-5860
Attention: President

with a copy to:
Kathleen M. Shay, Esq.
Duane Morris LLP
30 South 17th Street
Philadelphia, PA 19103-4196
Facsimile: (215) 979-1020

If to Corium: Corium International, Inc.
2686 Middlefield Road
Redwood City, CA 94063
Facsimile: (650) 298-8012
Attention: President

With a copy to:
Ralph Pais, Esq.
Fenwick & West LLP
Silicon Valley Center
801 California Street
Mountain View, CA 94041
Facsimile: (650) 938-5200

All notices shall be deemed to be effective five days after the date of mailing or upon receipt if sent by telex or facsimile (but only if followed by certified or registered confirmation). Either party may change the address at which notice is to be received by written notice pursuant to this Section.

11.5 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, it shall be stricken and the remaining provisions shall remain in full force and effect; provided, however, that if a provision is stricken so as to

significantly alter the economic arrangements of this Agreement, the parties agree to negotiate in good faith modifications to this Agreement to effectuate the initial intent of this Agreement.

11.6 Assignment. This Agreement shall not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned, except that either party may assign this Agreement, in whole or in part, to any successor (including the surviving company in any consolidation, reorganization or merger) or assignee of all or substantially all of its assets or business. Any attempted assignment in violation of the foregoing shall be void and without effect. This Agreement will be binding upon any permitted assignee of either party. No assignment shall have the effect of relieving any party to this Agreement of any of its obligations hereunder.

11.7 Event of Force Majeure. Except with respect to the payment of money due, neither party shall be responsible or liable to the other hereunder for the failure or delay in the performance of this Agreement due to any civil unrest, war, fire, earthquake, hurricane, accident or other casualty, or any labor disturbance or act of God or the public enemy, or any other contingency beyond the party's reasonable control. In the event of the applicability of this Section 11.7, the party failing or delaying performance shall use its commercially reasonable efforts to eliminate, cure and overcome any of such causes and resume the performance of its obligations. Upon the occurrence of an event of force majeure, the party failing or delaying performance shall promptly notify the other party, in writing, setting forth the nature of the occurrence, its expected duration and how such party's performance is affected. The failing or delaying party shall resume performance of its obligations hereunder as soon as practicable after the force majeure event ceases.

11.8 Public Disclosure. Neither party shall disclose to third parties, nor originate any publicity, news release or public announcement, written or oral, whether to the public, the press, stockholders or otherwise, referring to the existence or terms of this Agreement, the subject matter to which it relates, the performance under it or any of its specific terms and conditions, except as required by law, without the prior written consent of the other party. If a party decides to make an announcement, it will give the other party such notice as is reasonably practicable and an opportunity to comment upon the announcement.

11.9 Injunctive Relief. Each party acknowledges that any breach of its confidentiality obligations or any license conditions, limitations or restrictions set forth in this Agreement will cause the other party irreparable harm that may not be remedied by money damages alone. Accordingly, either party shall be entitled to obtain interim and/or permanent injunctive relief in any court of competent jurisdiction to prevent or remedy any threatened or actual breach of the nature describe above.

11.10 Non-Solicitation. Each party agrees that, during the term of this Agreement and for a period of one (1) year thereafter, it will not: (i) solicit, directly or indirectly, the employment, hiring, engagement as a consultant, or other retention of any employee of the other party; or (ii) induce any such employee to leave the employ of the other party. This Section shall not be construed as prohibiting either party from generally advertising its employment opportunities (for example, on its website, in general newspaper ads, or at job fairs) or from hiring any employee of the other party who responds to such advertisements.

11.11 Entire Agreement. This Agreement, including the exhibits hereto, sets forth the entire understanding between the parties hereto as to the subject matter hereof and supersedes all other documents, agreements (including any pre-existing confidentiality agreement between the parties, except that the Confidential Information provided under such confidentiality agreement shall be deemed to have been provided hereunder), verbal consents, arrangements and understandings by or between the parties with respect to the subject matter hereof.

11.12 Governing Law. This Agreement shall be governed by, and construed, and enforced in accordance with the substantive laws of the State of New York, without giving effect to its rules concerning conflicts of laws.

11.13 Dispute Resolution. The parties recognize that a bona fide dispute as to certain matters may arise from time to time during the term of this Agreement that may relate to the parties' rights and obligations hereunder. The parties agree that they shall use reasonable efforts to resolve any dispute that may arise in an amicable matter, which efforts will include without limitation those procedures specified in Section 2.5, for a minimum of thirty (30) days prior to seeking legal recourse on account of such dispute. This Section shall not be construed as prohibiting either party from seeking immediate injunctive or other equitable relief in order to protect its confidentiality or intellectual property interests, as contemplated above.

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

CORIUM INTERNATIONAL, INC.

By: /s/Adrian Faasse
Name: Adrian Faasse
Title: Chairman & CEO
Date: 10/17/2006

AGILE THERAPEUTICS, INC.

By: /s/Thomas M. Rossi
Name: Thomas M. Rossi
Title: CEO & President
Date: 10/18/2006

EXHIBIT A

PRODUCT DESCRIPTION

The Product will comply with the following [*] Specifications and subsequent revisions:

[*]

In addition, the following minimum quality standards are applicable:

- Compliance with the Active formulation quantitative compositional label claims and ranges.
- Compliance with qualitative compositional label claims for overall patch construction.
- GMP adherence to filed ICH stability programs as set forth in Agile's IND and/or other Regulatory submission(s) and agreed upon by the Working Committee.
- Additional agreed upon, but not regulatory attributes or specifications that exist or are developed in response to the project development plan. For example, [*].
- Conduct of component and product testing, release and stability assessment according to accepted cGMP standards including such attributes as linearity, precision, accuracy, recovery, transferability, and, general stability-indicating characteristics.
- Product "in process" and finished product manufacturing controls that meet minimal US Regulatory (FDA) standards of cGMP or requirements established by other regulatory submission(s) and agreed upon by the Working Committee.
- Adherence to cGMP record keeping requirements to facilitate complete and rapid review of expected raw material records, batch records, testing, release, and, stability data associated with either a General GMP or Pre-Approval Inspection of the Corium facilities or Product-specific documentation.

The Specifications for the integrated overlay system are as follows:

The integrated overlay system, including packaging design, will be developed as part of this agreement. Corium and Agile agree to develop mutually acceptable specifications with the following general targets:

- [*]

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EXHIBIT B

TASKS AND TIMELINE [* Confidential treatment is requested for the following three pages.]

*Confidential Treatment Requested.

*Confidential Treatment Requested.

*Confidential Treatment Requested.

EXHIBIT C

BUDGET

Stage 1

Process Development, Analytical Validation and Phase II/II Manufacture
Estimated Time: 11 Months

Deliverables	Budget
Project Management · Project timeline & budget management · Project deliverable and critical path tracking · Project oversight and review · GMP document tracking and management	[*]
Phase II/III Process Development and Materials Optimization [*]	[*]
Process Development Stability · [*]	[*]

Engineering Support and Equipment Qualification · [*]	[*]
Manufacture and Release of Phase II or III Supplies · [*]	[*]
Regulatory/QA · Regulatory oversight of clinical manufacturing and qualifications, including deviation, non-conformance, corrective action and all other guidance and support per cGMP compliance. · Unexecuted batch record review and approval · IND documentation gathering and approval, including product/process development reports and all other IND Support documentation. · Cleaning validation/verification protocol review and approval	[*]
Phase II/III Stability · [*]	[*]

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Analytical [*]	[*]
Materials & Supplies · R&D, analytical, and production supplies · Includes all materials for process development, equipment qualification and Phase III manufacturing · May also include miscellaneous costs such as testing of incoming materials at outside laboratories for full compendial testing on Phase III materials or safety supplies used in the handling of Levo and EE · [*] of each chemical raw material will be ordered	[*] [*]
Equipment (Dedicated equipment is owned by Agile) · [*]	[*]
Total	**Labor = [*]** **Ded Equip = [*]** **M&S = [*]**

Assumptions

- Budget assumes material vendors are identified and no supply chain issues exist.
- Costs for equipment shipping, installation and shipping insurance will be passed through to Agile.
- Microbial Limits Testing ("MLT") will be conducted by an outside lab and costs will be passed through to Agile.
- Corium will perform raw material testing for all materials within their capabilities and capacities; testing for other materials will be outsourced to approved contract laboratories and costs will be passed through to Agile.
- All clinical trial costs are the responsibility of Agile.
- Budget and timeline are contingent on final product configuration as outlined in the schedule. [*]. If an alternative integrated system is required due to integrated design, Corium and Agile will review and agree upon final costs once design is final.

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Stage 2

Clinical Evaluation, Production Scale Up & NDA Approval
Estimated Time: [*]

The following is an estimated budget for post-Phase III production and release requested by Agile. This budget will be finalized as a deliverable of Stage 1 activities and based on the scope of work moving forward. This budget represents a draft forecast of estimated costs between Phase III and commercial production and will be impacted significantly by finished product design and planned NDA filing timeline.

Deliverable	Estimated Budget
Project Management · Project timeline & budget management · Project deliverable and critical path tracking · Project oversight and review · GMP document tracking and management	[*]
Commercialization Process Development · Scale up to commercial quantities and batch sizes. · Commercial scale batch records	[*] Formal Process Validation will be billed as part of piece price for validation lots. Annual FDA stability will be billed as part of commercial piece price.
Engineering Support and Equipment Qualification · Includes the installation of commercial equipment and tooling.	[*]
Regulatory/QA · NDA filing support · PAI reparation and review · Unexecuted commercial batch record review and approval	[*]

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Equipment	[*]
Materials & Supplies · R&D, analytical, and production supplies · Includes all materials for process development, equipment qualification and commercial manufacturing · May also include miscellaneous costs, such as testing of incoming materials at outside laboratories for full compendial testing on Phase III materials or safety supplies used in the handling of Levo-norgestrel and Ethinyl Estradiol. · Agile will be billed only for costs incurred [*]. Any costs above this will be approved in advance.	[*]
Total	**Labor = [*]** **Ded Equip = [*]** **M&S = [*]**

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EXHIBIT D

MILESTONES AND PAYMENTS

Corium shall invoice Agile for the following expenses and Agile shall pay Corium for such expenses as set forth in Section 2.8.

Labor

Agile shall make the following milestone payments totaling [*] to Corium for its labor expense under the Agreement:

1. A non-refundable Prepayment of [*] to commence the Development Program [*] of the total labor budget) due upon Effective Date. Corium will issue a credit to Agile for any expenses incurred by Corium and reimbursed by Agile for activities covered in this Agreement that were invoiced by Corium prior to the Effective Date.

2. [*] (representing [*] of the total labor budget) upon completion of Milestone 1 set forth in Exhibit B.

3. [*] (representing [*]) of the total labor budget) upon completion of Milestone 2 set forth in Exhibit B.

4. Four (4) equal quarterly payments of [*] (each representing [*] of the total labor budget) with the first payment beginning [*] days after Effective Date.

5. [*] (representing [*] of the total labor budget) upon completion of Milestone 3 and Milestone 4 set forth in Exhibit B.

6. [*] (representing [*] of the total labor budget) upon completion of Milestone 5 set forth in Exhibit B, provided however, in the event that Agile requests that Corium delay the initiation of stability of active lots 2 and 3 for longer than [*] from the initiation of stability on active lot 1, such milestone payment will be due [*] from the completion of [*] commercial-scale stability on active lot 1.

7. [*] (representing [*] of the total labor budget) upon completion of Milestone 6 set forth in Exhibit B, provided however, in the event that Agile requests that Corium delay the initiation of stability of active lots 2 and 3 for longer than [*] from the initiation of stability on active lot 1, such milestone payment will be due [*] from the completion of [*] commercial-scale stability on active lot 1.

In addition to the milestone payments for Corium's labor expense under the Agreement, Agile shall pay for the following additional expenses:

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Materials and Supplies

All materials and supplies purchased by Corium in the performance of the Development Program will be billed to Agile at Corium's cost plus [*].

Equipment

The purchase of equipment identified in Exhibit C will be billed to Agile at Corium's cost.

Other Expenses

Travel and other out-of-pocket expenses incurred by Corium in the performance of the Development Program will be billed to Agile at Corium's cost.

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Addendum to the Development, License and Commercialization Agreement

This Addendum to Development, License and Commercialization Agreement is made and entered into as of January 10, 2012, by and between Agile Therapeutics, Inc. ("Agile") and Corium International, Inc. ("Corium").

Recitals

A. Agile and Corium entered into the Development, License and Commercialization Agreement dated effective October 18, 2006 (the "DLC Agreement"), relating to the development, license manufacture and supply of a certain product now known as AG200-15, a transdermal contraceptive patch that delivers levonorgestrel and ethinyl estradiol ("AG200-15"). Unless otherwise defined in this Addendum capitalized terms used herein will have the same meaning as in the DLC Agreement.

B. The parties have agreed to certain clarifications and modifications to the DLC Agreement, as set forth in this Addendum.

NOW, THEREFORE, in consideration of the above premises and mutual covenants contained herein, and intending to be mutually bound thereby, Agile and Corium hereby agree to amend the DLC Agreement as follows:

1. AG900 Product. The parties agree that the levonorgestrel-only transdermal contraceptive product that was the subject of the Phase 1 Clinical Supply Agreement dated March 13, 2009 between the parties, and which is now referred to as AG900, and any formulation variant of such product that arises as a result of Agile's development activities of that specific transdermal contraceptive product (collectively, the "AG900 Product") shall be included as a "Product" under the DLC Agreement on substantially the same basis as the AG200-15 Product, with appropriate

adjustments to provisions relating to the Development Program to reflect the status of the AG900 Product as mutually agreed upon by the parties in writing. The AG 900 Product, after its first commercial sale, will be included in the calculation of the number of units manufactured for purposes of Section 3.2.

2. Exclusivity. Section 3.2 of the DLC Agreement is replaced in its entirety with the following:

"3.2 Exclusivity. During the "Exclusive Supply Period" (as defined below), or such other period as the parties may mutually agree upon in writing, Agile will purchase all of its requirements of Product exclusively from Corium in consideration of Corium's agreement to supply the Products pursuant to Section 3.1, and subject to the provisions of Section 3.4 below. The "Exclusive Supply Period" means the period commencing with the Launch Date and continuing until Corium has manufactured and released for commercial use, from each of the [*] coating lines used for commercial manufacture the Product, [*] units of Product. (For the purposes of this provision, a "unit" means one patch; and "Product" refers to the AG200-15 Product and the AG900 Product.) If Product demand exceeds the capacity of the [*] coating lines prior to reaching the [*] unit level referred to above, Agile and Corium will work together in good faith to ensure that the market continues to be supplied."

3. Supply Terms. Section 3.3(f) of the DLC Agreement shall be amended by adding the following at the end of that section:

"With each order, Agile will purchase a minimum of [*] of finished Product (which will have an estimated quantity of [*]). Following Product launch, Corium will maintain a minimum amount of raw material inventory to support the supply provisions described in Section 3.3(c). In the event Agile requires Corium to carry a stock of peripheral laminate material beyond the requirements of Section 3.3(c), Agile will issue separate orders for such peripheral laminate quantities and pay Corium on an "up front" basis to manufacture and maintain inventory of the peripheral laminate, which payments will be credited to Agile in Corium's invoices for finished Product that incorporates such peripheral laminate, when the finished Product orders are filled."

4. Additional Provisions. The parties have also identified the following areas for which they agree to discuss and negotiate in good faith provisions to be incorporated in an additional addendum to the DLC Agreement by [*]; mechanisms for covering the costs of idle time in manufacturing operations, and provisions regarding the use,

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maintenance and repair of Agile-owned equipment. The parties will also review and discuss whether other provisions should be included in a future addendum to the DLC Agreement.

5. Conflicting Terms, Binding Effect. In the event of any inconsistency or conflict between the DLC Agreement and this Addendum, the terms, conditions and provisions of this Addendum shall govern and control. Except as expressly modified by this Addendum, the DLC Agreement remains in full force and effect. The terms of this Addendum are binding on any successor in interest of either party to the same extent as set forth in the DLC Agreement.

6. Counterparts; Signatures. This Addendum may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Addendum may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

Agile Therapeutics, Inc.

By: /s/Al Altomari

Name: Al Altomari

Title: CEO

Corium International, Inc.

By: /s/Peter D. Staple

Name: Peter D. Staple

Title: President and CEO

Addendum No. 2 to Development, License and Commercialization Agreement

This Addendum No. 2 to Development, License and Commercialization Agreement is made and entered into as of February 6, 2013, by and between Agile Therapeutics, Inc. ("Agile") and Corium International, Inc. ("Corium").

Recitals

A. Agile and Corium entered into the Development, License and Commercialization Agreement dated effective October 18, 2006, and amended such agreement with an Addendum dated January 10, 2012 (together, as amended, the "DLC Agreement"), relating to the development, license, manufacture and supply of a certain product now known as AG200-15, a transdermal contraceptive patch containing levonorgestrel and ethinyl estradiol ("AG200- 15"). Unless otherwise defined in this Amendment, capitalized terms used herein will have the same meaning as in the DLC Agreement. The parties have also entered into an agreement adopting a Commercial Proposal dated as of March 22, 2012 (the "Commercial Proposal"), pursuant to which the parties agreed upon a plan and financial terms relating to the preparations required for Corium to manufacture the AG200-15 product for the commercial launch and subsequent ongoing commercial supply of the AG200-15 product.

B. As provided in the DLC Agreement, the parties will negotiate in good faith a comprehensive amended and restated agreement that incorporates the commercial terms that are included in the DLC Agreement, as amended, and such additional terms as the parties agree are appropriate.

C. In accordance with the Commercial Proposal, both parties are making substantial investments and ongoing commitments in facilities, equipment and personnel in order to prepare for the commercial launch of AG200-15. In the case of Corium, such investments and commitments are being made after discussion and review with Agile, and are based on Agile's plans and projections for AG200-15. The parties agreed in the Commercial Proposal that certain charges would be applicable relating to the costs of the idle facilities, and have agreed to supplement the provisions of the DLC Agreement and the Commercial Proposal with this Amendment in order to provide clarity and assurance to the parties to facilitate such further investments.

NOW, THEREFORE, in consideration of the above premises and mutual covenants contained herein, and intending to be mutually bound thereby, Agile and Corium hereby agree to amend the DLC Agreement as follows:

1. Program Continuity; Program Delay Charges.

With respect to the pre-launch activities that are provided for under the Commercial Proposal, Agile has requested that Corium delay the process validation activities to be consistent with a [*] commercial launch (instead of the initially planned [*] launch). All other activities under the Commercial Proposal, with the exception of ancillary equipment and material purchase orders greater than $5000, will continue to completion without delays. Before making any additional commitments for the purchase of materials or ancillary equipment over $5000, Corium will obtain written approval from Agile. To accommodate this revised schedule, and assure program continuity, the Parties agree to operate under the following terms leading up to the initiation of process validation:

a. **Pre Validation**. Agile will pay Corium monthly "Delay Costs" starting [*], until such time that the Purchase Order(s) for Validation lots ("Validation Purchase Orders") are issued to Corium. This Delay Cost is [*] and is intended to reimburse Corium Building 51 facility costs to include rent, utilities, etc. Such Delay Costs will also be in effect for any period of delay initiated by Agile after the issuance of the Validation Purchase Orders and before completion of process validation. In the month that the first Purchase Order(s) for Validation lots are accepted by Corium, the monthly Delay Cost for that month will be prorated back to the PO date. If there is a delay to Validation Purchase Order(s) acceptance by Corium due to negligent actions of Corium, the payment of Delay Costs will be suspended for the period of such delay caused by Corium. If Validation Purchase Order(s) are not issued by Agile prior to the expected completion date of the commercial equipment qualifications, Building 51 facility qualifications, and commercial process development report [*], the monthly delay cost will be increased to account for program-critical personnel who remain on staff. This increased incremental amount will not exceed [*].

Corium will use reasonable efforts to redeploy these personnel to minimize cost to Agile after agreement by Agile on the timeline impacts of such redeployment. At the end of each quarter, Corium will invoice Agile and provide a detailed breakdown of the Delay Costs for such billing period. Agile shall pay this incremental increase amount within [*] after receipt of such notice from Corium.

2. **Validation Purchase Orders.**

a. **Validation**. Note that the three validation activities shown below, which are designated by reference to the primary coating machine (CL3 or CL4), include all related upstream and downstream processing. Agile will place the Purchase Order(s) for Validation, as referenced in the Commercial Proposal, as follows:

(1) CL4 — Process Validation of [*] — Process validation cost estimate is [*]. This cost will be covered by Agile through the issuance of purchase order(s) [*] prior to scheduled release of process validation batches. Purchase order payment will be as follows: [*] due upon [*], [*] for [*]. The balance [*] is due upon [*].
(2) CL3 — Process Validation of [*] — Process validation cost estimate is [*]. This cost will be covered by Agile through the issuance of purchase order(s) [*] prior to scheduled release of process validation batches. Purchase order payment will be as follows: [*] due upon [*], [*]. The balance [*] is due upon [*].
(3) CL3 — Process Validation of [*] — Process validation cost estimate is [*]. This cost will be covered by Agile through the issuance of purchase order(s) [*] prior to scheduled release of process validation batches. Purchase order payment will be as follows: [*] due upon [*], [*] for [*]. The balance of [*] is due upon [*].

3. **Program Continuity: Post-Validation Idle Facility Charges.**

a. **Post Validation**. This phase begins after the completion of process validation through completion and approval of Corium's process validation report for AG200-15 (for all, steps of the commercial manufacturing process except for the [*] validation on CL-4). During this initial commercial production phase Agile agrees to purchase at a minimum annual rate of [*] AG200-15 patches. As used herein, patch quantity includes all patch production from a production lot, including salable and non-salable (e.g. sample, demonstrator) patches. In the event that Agile orders fewer patches than the minimum [*], Agile will pay "Idle Facility Charges" (IFC) based on Building 51 "Facility Costs" (FC) incurred during such calendar quarter (see calculation below). Facilities costs will be pro-rated against the calculation below for any partial calendar quarter. As used herein, Facility Costs are defined as fully allocated Building 51 facility and operations costs related to preparing for and manufacturing of the AG200-15 product (including [*]). At the end of each quarter, Corium will invoice Agile for IFC and provide a detailed breakdown of the Facility Costs for the period in question. Agile shall pay IFC amounts within [*] after receipt of such notice from Corium.

Idle Facility Charges will be calculated as follows:

Quarterly orders ≥[*] patches per quarter, no IFC

Quarterly orders > [*] patches per quarter to < [*] patches per quarter, IFC calculated as follows:

[*]

Quarterly orders < [*] patches per quarter, payment of full IFC as defined in 3a.

4. **Transfer Pricing.**

a. Final transfer pricing on the AG200-15 product manufactured on commercial equipment located in Building 51 shall be determined upon completion of process validation. It is noted that the initial launch quantities of product may be produced using some existing production equipment. A credit will be applied by Corium to cover the cost of any materials that were previously paid for under the terms of the

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Commercial Proposal and subsequently used in the manufacture of any process validation or commercially salable product. Pricing used for initial purchase orders prior to determination of final price is shown below (transfer price per finished patch):

Material Source	Quarterly Production Rate [*]	[*]	[*]
CL3 PL CL4 Active	[*]	[*]	[*]
CL4 PL CL4 Active	[*]	[*]	[*]

5. **Mitigation of Costs**. The parties will discuss in good faith, at the time Delay Costs are payable by Agile, any potential steps that could be taken to reasonably mitigate Delay Costs, and any such steps will be subject to prior agreement of the parties.

6. **Non-Compete**. During the exclusivity period as described in the DLC Agreement (and provided Agile either continues to order and purchase product as provided in the DLC Agreement or pays Idle Facility Charges as outlined in Section 3a of this agreement), Corium shall not develop or manufacture a product that is a generic equivalent to AG200-15 or AG890.

7. **Survival; Termination**. The provisions of Section 1 and 2 of this Amendment shall continue in effect for five years from the effective date of this Addendum shown above. The provisions of section 3, 4, 5 and 6 of this Amendment shall continue in effect for five years following the commercial launch of AG200-15, provided that the provisions of sections 3, 5 and 6 shall not extend beyond the period of exclusive supply as described in the DLC Agreement. The parties further acknowledge and agree that, considering the advanced state of development of the AG200-15 product, no termination of the DLC agreement shall occur or be recognized under Section 10.2(c) of the DLC Agreement.

8. **Conflicting Terms, Binding Effect**. In the event of any inconsistency or conflict between the DLC Agreement and this Amendment, the terms, conditions and provisions of this Amendment shall govern and control. Except as expressly modified by this Amendment, the DLC Agreement remains in full force and effect. The terms of this Amendment are binding on any successor in interest of either party to the same extent as set forth in the DLC Agreement.

9. **Counterparts; Signatures**. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Amendment may be executed and delivered by facsimile and upon such delivery the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

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IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date set forth above.

Agile Therapeutics, Inc.

By: /s/Al Altomari

Name: Al Altomari

Title: President, CEO

Corium International, Inc.

By: /s/Peter D. Staple

Name:Peter D. Staple

Title: President & CEO

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of December 14, 2012 (the "**Effective Date**") among OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 ("**Oxford**"), as collateral agent (in such capacity, "**Collateral Agent**"), the Lenders listed on Schedule 1.1 hereof or otherwise a party hereto from time to time including Oxford in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**"), and Agile Therapeutics, Inc., a Delaware corporation with offices located at 101 Poor Farm Road, Princeton, NJ 08540 ("**Borrower**"), provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

1.1 Accounting terms not defined in this Agreement shall be construed in accordance with GAAP. Calculations and determinations must be made in accordance with GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. 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. All references to "**Dollars**" or "**$**" are United States Dollars, unless otherwise noted.

2. LOANS AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay each Lender, the outstanding principal amount of all Term Loans advanced to Borrower by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2.2 Term Loans.

(a) Availability. (i) Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, to make term loans to Borrower on the Effective Date in an aggregate amount of Five Million Dollars ($5,000,000) according to each Lender's Term A Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term A Loan**", and collectively as the "**Term A Loans**"). After repayment, no Term A Loan may be re-borrowed.

(ii) Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, during the Second Draw Period, to make term loans to Borrower in an aggregate amount up to Ten Million Dollars ($10,000,000), in a single tranche of Ten Million Dollars ($10,000,000) or two tranches of Five Million Dollars ($5,000,000) each, according to each Lender's Term B Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term B Loan**", and collectively as the "**Term B Loans**"; each Term A Loan or Term B Loan is hereinafter referred to singly as a "**Term Loan**" and the Term A Loans and the Term B Loans are hereinafter referred to collectively as the "**Term Loans**"). After repayment, no Term B Loan may be re-borrowed.

(b) Repayment. Borrower shall make monthly payments of interest only commencing on the first (1st) Payment Date following the Funding Date of each Term Loan, and continuing on the Payment Date of each successive month thereafter through and including the Payment Date immediately preceding the Amortization Date. Borrower agrees to pay, on the Funding Date of each Term Loan, any initial partial monthly interest payment otherwise due for the period between the Funding Date of such Term Loan and the first Payment Date thereof. Commencing on the Amortization Date, and continuing on the Payment Date of each month thereafter, Borrower shall make consecutive equal monthly payments of principal and interest, in arrears, to each Lender, as calculated by Collateral Agent (which calculations shall be deemed correct absent manifest error) based upon: (1) the amount of such Lender's Term Loan, (2) the effective rate of interest, as determined in Section 2.3(a), and (3) a repayment schedule equal to thirty (30) consecutive months, with respect to each of the Term A Loans and Term B Loans. All unpaid principal and accrued and unpaid interest with respect to each Term Loan is due and payable in full on the Maturity Date. Each Term Loan may only be prepaid in accordance with Sections 2.2(c) and 2.2(d).

(c) Mandatory Prepayments. If the Term Loans are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Final Payment, (iii) the Prepayment Fee, plus (iv) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts. Notwithstanding (but without duplication with) the foregoing, on the Maturity Date, if the Final Payment had not previously been paid in full in connection with the prepayment of the Term Loans in full, Borrower shall pay to Collateral Agent, for payment to each Lender in accordance with its respective Pro Rata Share, the Final Payment in respect of the Term Loans.

(d) Permitted Prepayment of Term Loans. Borrower shall have the option to prepay all, but not less than all, of the Term Loans advanced by the Lenders under this Agreement, provided Borrower (i) provides written notice to Collateral Agent of its election to prepay the Term Loans at least fifteen (15) days prior to such prepayment (or if such prepayment is in connection with a merger, consolidation, acquisition or sale of substantially all of the assets of the Borrower or any of its Subsidiaries, pursuant to the provisions of Section 7.1(f) and/or Section 7.3, at least ten (10) days prior to such prepayment), and (ii) pays to the Lenders on the date of such prepayment, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of (A) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (B) the Final Payment, (C) the Prepayment Fee, plus (D) all other Obligations that are due and payable, 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 the Term Loans shall accrue interest at a fixed per annum rate (which rate shall be fixed for the duration of the applicable Term Loan) equal to the Basic Rate, determined by Collateral Agent on the Funding Date of the applicable Term Loan, which interest shall be payable monthly in arrears in accordance with Sections 2.2(b) and 2.3(e). Interest shall accrue on each Term Loan commencing on, and including, the Funding Date of such Term Loan, and shall accrue on the principal amount outstanding under such Term Loan through and including the day on which such Term Loan is paid in full.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the "**Default Rate**"). 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 Collateral Agent.

(c) 360-Day Year. Interest shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days.

(d) Debit of Accounts. Collateral Agent and each Lender may debit (or ACH) any deposit accounts, maintained by Borrower or any of its Subsidiaries, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes the Lenders under the Loan Documents when due. Any such debits (or ACH activity) shall not constitute a set-off.

(e) Payments. Except as otherwise expressly provided herein, all payments by Borrower under the Loan Documents shall be made to the respective Lender to which such payments are owed, at such Lender's office in immediately available funds on the date specified herein. Unless otherwise provided, interest is payable monthly on the Payment Date of each month. 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 is due the next Business Day and additional fees or interest, as applicable, shall continue to accrue until paid. All payments to be made by Borrower hereunder or under any other Loan Document, including payments of principal and interest, and all fees, expenses, indemnities and reimbursements, shall be made without set-off, recoupment or counterclaim, in lawful money of the United States and in immediately available funds.

2.4 Secured Promissory Notes. The Term Loans shall be evidenced by a Secured Promissory Note or Notes in the form attached as Exhibit D hereto (each a "**Secured Promissory Note**"), and shall be repayable as set forth in this Agreement. Borrower irrevocably authorizes each Lender to make or cause to be made, on or about the Funding Date of any Term Loan or at the time of receipt of any payment of principal on such Lender's Secured Promissory Note, an appropriate notation on such Lender's Secured Promissory Note Record reflecting the making of such Term Loan or (as the case may be) the receipt of such payment. The outstanding amount of each Term Loan set forth on such Lender's Secured Promissory Note Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender's Secured Promissory Note

Record shall not limit or otherwise affect the obligations of Borrower under any Secured Promissory Note or any other Loan Document to make payments of principal of or interest on any Secured Promissory Note when due. Upon receipt of an affidavit of an officer of a Lender as to the loss, theft, destruction, or mutilation of its Secured Promissory Note**,** Borrower shall issue, in lieu thereof, a replacement Secured Promissory Note in the same principal amount thereof and of like tenor.

2.5 Fees. Borrower shall pay to Collateral Agent:

(a) Facility Fee. A fully earned, non-refundable facility fee of One Hundred and Thirty Five Thousand Dollars ($135,000) to be shared between the Lenders pursuant to their respective Commitment Percentages payable as follows: (i) Sixty Seven Thousand Five Hundred Dollars ($67,500) of the facility fee was paid on or about June 6, 2012 and (ii) the remaining Sixty Seven Thousand Five Hundred Dollars ($67,500) of the facility fee shall be due and payable on the Funding Date of the Term A Loan;

(b) Final Payment. The Final Payment, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(c) Prepayment Fee. The Prepayment Fee, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares; and

(d) 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.

2.6 Withholding. Payments received by the Lenders from Borrower hereunder 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 the Lenders, 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, each Lender 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 the Lenders with proof reasonably satisfactory to the Lenders 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 2.6 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 a Term Loan is subject to the condition precedent that Collateral Agent and each Lender shall consent to or shall have received, in form and substance satisfactory to Collateral Agent and each Lender, such documents, and completion of such other matters, as Collateral Agent and each Lender may reasonably deem necessary or appropriate, including, without limitation:

(a) original Loan Documents, duly executed by Borrower and each Subsidiary, as applicable;

(b) duly executed original Control Agreements with respect to any Collateral Accounts maintained by Borrower or any of its Subsidiaries;

(c) duly executed original Secured Promissory Notes in favor of each Lender according to its Term Loan Commitment Percentage;

(d) the Operating Documents and good standing certificates of Borrower and its Subsidiaries certified by the Secretary of State (or equivalent agency) of Borrower's and such Subsidiaries' jurisdiction of organization or formation and each jurisdiction in which Borrower and each Subsidiary is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date**;**

(e) a completed Perfection Certificate for Borrower and each of its Subsidiaries;

(f) the Annual Projections, for the current calendar year;

(g) duly executed original officer's certificate for Borrower and each Subsidiary that is a party to the Loan Documents, in a form acceptable to Collateral Agent and the Lenders;

(h) certified copies, dated as of date no earlier than thirty (30) days prior to the Effective Date, of financing statement searches, as Collateral Agent shall 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;

(i) a landlord's consent executed in favor of Collateral Agent in respect of all of Borrower's and each Subsidiaries' leased locations;

(j) a bailee waiver executed in favor of Collateral Agent in respect of each third party bailee where Borrower or any Subsidiary maintains Collateral having a book value in excess of One Hundred Fifty Thousand Dollars ($150,000.00), including but not limited to a bailee waiver in favor of Collateral Agent with respect to all equipment, inventory and other Collateral maintained by the Borrower with Corium International, Inc. at 4524 50th Street SE, Grand Rapids, MI 49512;

(k) a duly executed legal opinion of counsel to Borrower dated as of the Effective Date;

(l) evidence satisfactory to Collateral Agent and the Lenders that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements in favor of Collateral Agent, for the ratable benefit of the Lenders;

(m) a copy of any applicable Registration Rights Agreement or Investors' Rights Agreement and any amendments thereto; and

(n) payment of the fees and Lenders' Expenses then due as specified in Section 2.5 hereof.

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

(a) receipt by Collateral Agent of an executed Disbursement Letter in the form of Exhibit B-1 attached hereto;

(b) the representations and warranties in Section 5 hereof shall be true, accurate and complete in all material respects on the date of the Disbursement Letter 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 Section 5 hereof are 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;

(c) in such Lender's sole discretion, there has not been any Material Adverse Change or any material adverse deviation by Borrower from the Annual Projections of Borrower presented to and accepted by Collateral Agent and each Lender;

(d) to the extent not delivered at the Effective Date, duly executed original Secured Promissory Notes and Warrants, in number, form and content acceptable to and requested by each Lender, and in favor of each Lender according to its Commitment Percentage, with respect to each Credit Extension made by such Lender after the Effective Date; and

(e) payment of the fees and Lenders' Expenses then due as specified in Section 2.5 hereof.

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

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan set forth in this Agreement, to obtain a Term Loan, Borrower shall notify the Lenders (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 noon Eastern time three (3) Business Days prior to the date the Term Loan is to be made. Together with any such electronic, facsimile or telephonic notification, Borrower shall deliver to the Lenders by electronic mail or facsimile a completed Disbursement Letter executed by a Responsible Officer or his or her designee. The Lenders may rely on any telephone notice given by a person whom a Lender reasonably believes is a Responsible Officer or designee. On the Funding Date, each Lender shall credit and/or transfer (as applicable) to the Designated Deposit Account, an amount equal to its Term Loan Commitment.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Collateral 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 Collateral Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral, subject only to Permitted Liens that are permitted by the terms of this Agreement to have priority to Collateral Agent's Lien. If Borrower shall acquire a commercial tort claim (as defined in the Code), Borrower, shall promptly notify Collateral Agent in a writing signed by Borrower, as the case may be, of the general details thereof (and further details as may be required by Collateral Agent) and grant to Collateral 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 Collateral Agent.

If this Agreement is terminated, Collateral 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, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Collateral Agent to file financing statements or take any other action required to perfect Collateral Agent's security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent's interest or rights under the Loan Documents, including a notice that any disposition of the Collateral, except to the extent permitted by the terms of this Agreement, by Borrower, or any other Person, shall be deemed to violate the rights of Collateral Agent under the Code.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Collateral Agent and the Lenders as follows at all times:

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

The execution, delivery and performance by Borrower and each of its Subsidiaries of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's or such Subsidiaries' organizational documents, including its respective Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or such Subsidiary, 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 are being obtained pursuant to Section 6.1(b), or (v) constitute an event of default under any material agreement by which Borrower or any of such Subsidiaries, or their respective properties, is bound. Neither Borrower nor any of its Subsidiaries is in default under any agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Change.

5.2 Collateral.

(a) Borrower and each its Subsidiaries have good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, and neither Borrower nor any of its Subsidiaries have any Deposit Accounts, Securities Accounts, Commodity Accounts or other investment accounts other than the Collateral

Accounts or the other investment accounts, if any, described in the Perfection Certificates delivered to Collateral Agent in connection herewith with respect of which Borrower or such Subsidiary has given Collateral Agent notice and taken such actions as are necessary to give Collateral Agent a perfected security interest therein. The Accounts are bona fide, existing obligations of the Account Debtors.

(b) On the Effective Date, and except as disclosed on the Perfection Certificate (i) the Collateral is not in the possession of any third party bailee (such as a warehouse), (ii) no such third party bailee possesses components of the Collateral in excess of One Hundred Fifty Thousand Dollars ($150,000.00), and (iii) such third party bailees do not collectively possess components of the Collateral in excess of Two Hundred Fifty Thousand Dollars ($250,000.00). None of the components of the Collateral is maintained at locations other than as disclosed in the Perfection Certificates on the Effective Date or as permitted pursuant to Section 6.11. Furthermore, notwithstanding anything herein to the contrary, (i) each third party bailee who is in possession of components of the Collateral having an aggregate value in excess of One Hundred Fifty Thousand Dollars ($150,000.00) has executed a bailee waiver in favor of the Collateral Agent and such bailee waiver has been delivered to the Collateral Agent by Borrower, and (ii) the components of the Collateral that are in possession of third party bailees for which Borrower has not delivered bailee waivers executed in favor of the Collateral Agent to the Collateral Agent, do not have an aggregate value in excess of Two Hundred Fifty Thousand Dollars ($250,000.00).

(c) All Inventory is in all material respects of good and marketable quality, free from material defects.

(d) Borrower and each of its Subsidiaries is the sole owner of the Intellectual Property each respectively purports to own, free and clear of all Liens other than Permitted Liens. Except as noted on the Perfection Certificates, neither Borrower nor any of its Subsidiaries is a party to, nor is bound by, any material license or other material agreement with respect to which Borrower or such Subsidiary is the licensee that (i) prohibits or otherwise restricts Borrower or its Subsidiaries from granting a security interest in Borrower's or such Subsidiaries' interest in

such material license or material agreement or any other property, or (ii) for which a default under or termination of could interfere with Collateral Agent's or any Lender's right to sell any Collateral. Borrower shall provide written notice to Collateral Agent and each Lender within ten (10) days of Borrower or any of its Subsidiaries entering into or becoming bound by any license or agreement with respect to with Borrower or any Subsidiary is the licensee (other than over-the-counter software that is commercially available to the public). Borrower shall, and shall cause its Subsidiaries to, take such commercially reasonable steps as Collateral Agent and any Lender requests to obtain the consent of, or waiver by, any Person whose consent or waiver is necessary for (i) all licenses or agreements with respect to which Borrower or any Subsidiary is the licensee to be deemed "**Collateral**" and for Collateral Agent and each Lender to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such license or agreement, whether now existing or entered into in the future, and (ii) Collateral Agent and each Lender shall have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Collateral Agent's and such Lender's rights and remedies under this Agreement and the other Loan Documents.

5.3 Litigation. Except as disclosed (i) on the Perfection Certificates, or (ii) in accordance with Section 6.9 hereof, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than Two Hundred Fifty Thousand Dollars ($250,000.00).

5.4 No Material Deterioration in Financial Condition; Financial Statements. All consolidated financial statements for Borrower and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Borrower and its Borrower's Subsidiaries, and the consolidated results of operations of Borrower and its Subsidiaries. There has not been any material deterioration in the consolidated financial condition of Borrower and its Subsidiaries since the date of the most recent financial statements submitted to any Lender.

5.5 Solvency. Borrower and each of its Subsidiaries is Solvent.

5.6 Regulatory Compliance. Neither Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as

amended. Neither Borrower nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a Material Adverse Change. Neither Borrower's nor any of its Subsidiaries' properties or assets has been used by Borrower or such Subsidiary or, to Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has 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.

None of Borrower, any of its Subsidiaries, or any of Borrower's or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) is a Blocked Person. None of Borrower, any of its Subsidiaries, or to the knowledge of Borrower and any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law.

5.7 Investments. Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower and each of its Subsidiaries has timely filed all required tax returns and reports, and Borrower and each of its Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower and such Subsidiaries, in all jurisdictions in which Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in accordance with the following sentence. Borrower and each of its Subsidiaries, may defer payment of any contested taxes, provided that Borrower or such Subsidiary, (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Collateral Agent in writing of the commencement of, and any material development in, the proceedings, and (c) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "**Permitted Lien**." Neither Borrower nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of Borrower's or such Subsidiaries', prior tax years which could result in additional taxes becoming due and payable by Borrower or its Subsidiaries. Borrower and each of its Subsidiaries have paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither Borrower nor any of its Subsidiaries have, withdrawn from participation in, and have 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 or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

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 in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral 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 Collateral 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 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 the Responsible Officers.

6. AFFIRMATIVE COVENANTS

Borrower shall, and shall cause each of its Subsidiaries to, 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 organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change. Comply with all laws, ordinances and regulations to which Borrower or any of its Subsidiaries is subject, the noncompliance with which could reasonably be expected to have a Material Adverse Change.

(b) Obtain and keep in full force and effect, all of the Governmental Approvals necessary for the performance by Borrower and its Subsidiaries of their respective businesses and obligations under the Loan Documents and the grant of a security interest to Collateral Agent for the ratable benefit of the Lenders, in all of the Collateral. Borrower shall promptly provide copies to Collateral Agent of any material Governmental Approvals obtained by Borrower or any of its Subsidiaries.

6.2 Financial Statements, Reports, Certificates.

(a) Deliver to each Lender: (i) 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, income statement and cash flow statement covering the consolidated operations of Borrower and its Subsidiaries, for such month certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent; (ii) as soon as available, but no later than one eighty twenty (180) days after the last day of Borrower's fiscal year or within five (5) days of filing with the SEC, 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 acceptable to Collateral Agent in its reasonable discretion**;** (iii) as soon as available after approval thereof by Borrower's Board of Directors, but no later than ten (10) days after the last day of each of Borrower's fiscal years, Borrower's annual financial projections for the entire current fiscal year as approved by Borrower's Board of Directors, which such annual

financial projections shall be set forth in a month-by-month format (such annual financial projections as originally delivered to Collateral Agent and the Lenders are referred to herein as the "**Annual Projections**"; provided that, any revisions of the Annual Projections approved by Borrower's Board of Directors shall be delivered to Collateral Agent and the Lenders no later than seven (7) days after such approval; and, unless Collateral Agent notifies Borrower to the contrary in writing within thirty (30) days after receipt thereof, the term "Annual Projections" shall include such revisions); (iv) within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or holders of Subordinated Debt, other than notices to stockholders of Borrower given to them in connection with meetings and written consents in lieu thereof; (v) in the event that Borrower becomes subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, within five (5) days of filing, all reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission, (vi) prompt notice of (A) any material change in the composition of the Intellectual Property, (B) notice of the registration of any copyright, including any subsequent ownership right of Borrower or any of its Subsidiaries in or to any copyright, patent or trademark, and (C) prompt notice of Borrower's knowledge of any event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property; (vii) as soon as available, but no later than thirty (30) days after the last day of each month, copies of the month-end account statements for each deposit account or securities account maintained by Borrower or its Subsidiaries, which statements may be provided to Collateral Agent and each Lender by Borrower or directly from the applicable institution(s), and (viii) other financial information as reasonably requested by Collateral Agent or

any Lender. Notwithstanding the foregoing, 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.

(b) Concurrently with the delivery of the financial statements specified in Section 6.2(a)(i) above but no later than thirty (30) days after the last day of each month, deliver to each Lender, a duly completed Compliance Certificate signed by a Responsible Officer.

(c) Keep proper books of record and account in accordance with GAAP in all material respects, in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than twice every year unless (and more frequently if) an Event of Default has occurred and is continuing.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective Account Debtors shall follow Borrower's, or such Subsidiary's, customary practices as they exist at the Effective Date. Borrower must promptly notify Collateral Agent and the Lenders of all returns, recoveries, disputes and claims that involve more than One Hundred Fifty Thousand Dollars ($150,000.00) individually or Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate in any calendar year.

6.4 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 file, all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Lenders, 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 the terms of such plans.

6.5 Insurance. Keep Borrower's and its Subsidiaries' business and the Collateral insured for risks and in amounts standard for companies in Borrower's and its Subsidiaries' industry and location and as Collateral Agent may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are reasonably satisfactory to Collateral Agent and Lenders. All property policies shall have a lender's loss payable endorsement showing Collateral Agent as lender loss payee and waive subrogation against Collateral Agent, and all liability policies shall show, or have endorsements showing, Collateral Agent, as additional insured. All policies (or the loss payable and additional insured endorsements) shall provide that the insurer shall endeavor to give Collateral Agent at least thirty (30) days notice before canceling, amending, or declining to renew its policy. At Collateral Agent's request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Collateral Agent's option, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. Notwithstanding the foregoing, (a) 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 One Hundred Fifty Thousand Dollars ($150,000.00) with respect to any loss, but not exceeding Two Hundred Fifty Thousand Dollars ($250,000.00), 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 (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Collateral Agent has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Collateral Agent, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. If Borrower or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons, Collateral Agent and/or any Lender may make, at Borrower's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent or such Lender deems prudent.

6.6 Operating Accounts.

(a) Subject to the provisions of subsection (d) below, maintain all of Borrower's and its Subsidiaries', domestic Collateral Accounts with a banking institution in accounts which are subject to a Control Agreement in favor of Collateral Agent.

(b) Borrower shall provide Collateral Agent five (5) days' prior written notice before Borrower or any of its Subsidiaries establishes any Collateral Account at or with any Person other than with Silicon Valley Bank. In addition, for each Collateral Account that Borrower or any of its Subsidiaries, at any time maintains, Borrower or such Subsidiary shall cause the applicable bank or financial institution at or with which such Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Collateral Agent's Lien in such Collateral Account in accordance with the terms hereunder prior to the establishment of such Collateral Account, which Control Agreement may not be terminated without prior written consent of Collateral Agent. 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, or any of its Subsidiaries', employees and identified to Collateral Agent by Borrower as such in the Perfection Certificates.

(c) Neither Borrower nor any of its Subsidiaries shall maintain any Collateral Accounts except Collateral Accounts maintained in accordance with Sections 6.6(a) and (b).

(d) Notwithstanding the provisions of subsections (a) - (c) above, Borrower may continue to maintain Collateral Accounts with TD Bank, N.A. (that are identified in the Perfection Certificate delivered to the Collateral Agent) for a period of up to sixty (60) days from the Effective Date, by the end of which period, Borrower must deliver evidence of closure of all such Collateral Accounts to the Collateral Agent in form and substance acceptable to the Collateral Agent. Prior to the receipt of such evidence by the Collateral Agent, the aggregate cash balance in the Collateral Accounts maintained at Silicon Valley Bank (that are subject to Control Agreement(s) in favor of the Collateral Agent) shall at all times be not less than aggregate amount of the Term Loans made under this Agreement.

6.7 Protection of Intellectual Property Rights. Borrower and each of its Subsidiaries shall: (a) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property that is material to Borrower's business; (b) promptly advise Collateral Agent in writing of material infringement by a third party of its Intellectual Property; and (c) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Collateral Agent's prior written consent.

6.8 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to Collateral Agent and the Lenders, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower's officers, employees and agents and Borrower's Books, to the extent that Collateral Agent or any Lender may reasonably deem them necessary to prosecute or defend any third-party suit or proceeding instituted by or against Collateral Agent or any Lender with respect to any Collateral or relating to Borrower.

6.9 Notices of Litigation and Default. Borrower will give prompt written notice to Collateral Agent and the Lenders of any litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of Two Hundred Fifty Thousand Dollars ($250,000.00) or more or which could reasonably be expected to have a Material Adverse Change. Without limiting or contradicting any other more specific provision of this Agreement, promptly (and in any event within three (3) Business Days) upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, Borrower shall give written notice to Collateral Agent and the Lenders of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

6.10 Intentionally Omitted.

6.11 Landlord Waivers; Bailee Waivers. In the event that Borrower or any of its Subsidiaries, after the Effective Date, intends to add any new offices or business locations, including warehouses, or otherwise store any portion of the Collateral with, or deliver any portion of the Collateral to, a bailee, in each case pursuant to Section 7.2, then Borrower or such Subsidiary will first receive the written consent of Collateral Agent and, in the event that the Collateral at any new location is valued in excess of One Hundred Fifty Thousand ($150,000.00) in the aggregate, such bailee or landlord, as applicable, must execute and deliver a bailee waiver or landlord waiver, as applicable, in form and substance reasonably satisfactory to Collateral Agent prior to the addition of any new offices or business locations, or any such storage with or delivery to any such bailee, as the case may be; provided, however, that in no event may Borrower (i) store any portion of the Collateral having a value in excess of One Hundred Fifty Thousand ($150,000.00) in the aggregate at any single location for which Borrower has not delivered a bailee waiver or landlord waiver as provided herein, or (ii) store any portion of the Collateral having a value in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate at locations for which the Borrower has not delivered a bailee or landlord waiver as herein provided.

6.12 Creation/Acquisition of Subsidiaries. In the event Borrower, or any of its Subsidiaries creates or acquires any Subsidiary, Borrower shall provide prior written notice to Collateral Agent and each Lender of the creation or acquisition of such new Subsidiary and take all such action as may be reasonably required by Collateral Agent or any Lender to cause each such Subsidiary to become a co-Borrower hereunder or to guarantee the Obligations of Borrower under the Loan Documents and, in each case, grant a continuing pledge and security interest in and to the assets of such Subsidiary (substantially as described on Exhibit A hereto); and Borrower shall grant and pledge to Collateral Agent, for the ratable benefit of the Lenders, a perfected security interest in the stock, units or other evidence of ownership of each such Subsidiary.

6.13 Further Assurances.

(a) Execute any further instruments and take further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent's Lien in the Collateral or to effect the purposes of this Agreement.

(b) Deliver to Collateral Agent and Lenders, within five (5) days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals material to Borrower's business or otherwise reasonably be expected to have Material Adverse Change.

7. NEGATIVE COVENANTS

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Lenders:

7.1 Dispositions. Convey, sell, lease, transfer, assign, dispose of or otherwise make cash payments consisting of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) consisting of cash payments to trade creditors in the ordinary course of business consistent with the Annual Projections; (b) of Inventory in the ordinary course of business; (c) of worn-out or obsolete Equipment; (d) in connection with Permitted Liens and Permitted Investments; (e) Permitted Licenses; or (f) in connection with a merger, consolidation or sale of substantially all of the assets of the Borrower or one or more of its Subsidiaries, provided that all Obligations are indefeasibly paid in full in cash contemporaneously with such transaction and that the Borrower is otherwise compliant with the applicable provisions of Section 7.3. Without limiting the foregoing, Borrower may not make Transfers in addition to those specifically enumerated above, unless and only to the extent the same are specifically reflected in the Annual Projections.

7.2 Changes in Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Borrower as of the Effective Date or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) any Key Person shall cease to be actively engaged in the management of Borrower unless a replacement for such Key Person is approved by Borrower's Board of Directors and engaged by Borrower within **ninety (90**) days of such change, or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders

immediately prior to the first such transaction own more than forty nine percent (49%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (a "**Change in Control**") (other than (x) by the sale of Borrower's equity securities in a public offering, a private placement of public equity or in a financing led by venture capital investors so long as Borrower identifies to Collateral Agent the venture capital investors prior to the closing of the transaction or (y) a Change in Control, provided that all Obligations (which for the purposes of clarity shall include but not be limited to the payment of the Prepayment Fee) are indefeasibly paid in full in cash contemporaneously with such Change in Control). Borrower shall not, without at least thirty (30) days' prior written notice to Collateral Agent: (A) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Two Hundred Fifty Thousand Dollars ($150,000.00) in assets or property of Borrower or any of its Subsidiaries); (B) change its jurisdiction of organization, (C) change its organizational structure or type, (D) change its legal name, or (E) change any organizational number (if any) assigned by its jurisdiction of organization.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, unless all Obligations (which for the purposes of clarity shall include but not be limited to the payment of the Prepayment Fee) are indefeasibly paid in full in cash contemporaneously with such merger or consolidation, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock, shares or property of another Person. A Subsidiary may merge or consolidate into another Subsidiary (provided such surviving Subsidiary is a "co-Borrower" hereunder or has provided a secured Guaranty of Borrower's Obligations hereunder) or with (or into) Borrower provided Borrower is the surviving legal entity, and as long as no Event of Default is occurring prior thereto or arises as a result therefrom.

Without limiting the foregoing, Borrower shall not, without Collateral Agent's prior written consent, enter into, or permit any of its Subsidiaries to enter into, any agreement with any Person to attempt to facilitate a merger, consolidation or sale of substantially all of the assets of Borrower or any of its Subsidiaries, or an acquisition by Borrower, or any of its Subsidiaries, of all or substantially all of the capital stock, shares or property of another Person, unless (i) no Event of Default exists when such agreement is entered into by Borrower, (ii) such agreement does not give such Person the right to claim any fees, payments or damages from Borrower or any of its Subsidiaries in an amount of Two Hundred Fifty Thousand Dollars ($250,000.00) or more in the event of the failure or inability of Borrower or any of its Subsidiaries, as applicable, to consummate such merger, consolidation, sale of assets or acquisition, and (iii) Borrower notifies Collateral Agent in advance of entering into such agreement. If Collateral Agent's consent is needed for such agreement solely because such agreement is not compliant with part (ii) of the immediately preceding sentence, Collateral Agent shall not unreasonably withhold or delay its consent to such agreement if such agreement also provides that all Obligations of the Borrower shall be indefeasibly paid in full in cash contemporaneously with the closing of such merger, consolidation, sale of assets or acquisition from the proceeds of such transaction.

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, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens that are permitted by the terms of this Agreement to have priority over Collateral Agent's Lien), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral 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 of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or such 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 6.6 hereof.

7.7 Distributions; Investments. (a) Pay any dividends (other than dividends payable solely in capital stock) or make any distribution or payment in respect of or redeem, retire or purchase any capital stock (other than repurchases pursuant to the terms of employee stock purchase plans, employee restricted stock agreements,

stockholder rights plans, director or consultant stock option plans, or similar plans, provided such repurchases do not exceed One Hundred Fifty Thousand Dollars ($150,000.00) in the aggregate per fiscal year) or (b) directly or indirectly make any Investment 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 or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of Borrower's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person, and (b) Subordinated Debt or equity investments by Borrower's investors in Borrower or its Subsidiaries.

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 or adversely affect the subordination thereof to Obligations owed to 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 Change, 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 or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

7.11 Compliance with Anti-Terrorism Laws. Collateral Agent hereby notifies Borrower and each of its Subsidiaries that pursuant to the requirements of Anti-Terrorism Laws, and Collateral Agent's policies and practices, Collateral Agent is required to obtain, verify and record certain information and documentation that identifies Borrower and each of its Subsidiaries and their principals, which information includes the name and address of Borrower and each of its Subsidiaries and their principals and such other information that will allow Collateral Agent to identify such party in accordance with Anti-Terrorism Laws. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Borrower and each of its Subsidiaries shall immediately notify Collateral Agent if Borrower or such Subsidiary has knowledge that Borrower, or any Subsidiary or Affiliate of Borrower, is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries, permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.

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 on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or

the date of acceleration pursuant to Section 9.1 (a) hereof). During the cure period, the failure to cure the payment default is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower or any of its Subsidiaries fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates), 6.4 (Taxes), 6.5 (Insurance), 6.6 (Operating Accounts), 6.7 (Protection of Intellectual Property Rights), 6.9 (Notice of Litigation and Default), 6.11 (Landlord Waivers; Bailee Waivers), 6.12 (Creation/Acquisition of Subsidiaries) or 6.13 (Further Assurances) or Borrower violates any covenant in Section 7; or

(b) Borrower, or any of its Subsidiaries, 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). Grace periods provided under this Section shall not apply, among other things, to financial covenants or any other covenants set forth in subsection (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 any of its Subsidiaries or of any entity under control of Borrower or its Subsidiaries on deposit with any Lender or any Lender's Affiliate or any bank or other institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Borrower or any of its Subsidiaries assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within twenty (20) 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 twenty (20) day cure period; and

(b) (i) any material portion of Borrower's or any of its Subsidiaries' 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 or any of its Subsidiaries from conducting any part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is or 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 not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while Borrower or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is a default in any agreement to which Borrower or any of its Subsidiaries is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) or that could reasonably be expected to have a Material Adverse Change;

8.7 Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars ($250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of fifteen (15) days after the entry thereof (provided that no Credit Extensions will be made prior to the satisfaction, vacation, or stay of such judgment, order or decree);

8.8 Misrepresentations. Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders 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. A default or breach occurs under any agreement between Borrower or any of its Subsidiaries and any creditor of Borrower or any of its Subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Lenders, or any creditor that has signed such an agreement with Collateral Agent or the Lenders breaches any terms of such agreement;

8.10 Guaranty. (a) Any Guaranty terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any Guaranty; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.7, or 8.8 occurs with respect to any Guarantor, (d) the death, liquidation, winding up, or termination of existence of any Guarantor; or (e) (i) a material impairment in the perfection or priority of Collateral Agent's Lien in the collateral provided by Guarantor or in the value of such collateral or (ii) a Material Adverse Change with respect to any Guarantor;

8.11 Governmental Approvals. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term *and* such revocation, rescission, suspension, modification or non-renewal has resulted in or could reasonably be expected to result in a Material Adverse Change; or

8.12 Lien Priority. Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens which are permitted to have priority in accordance with the terms of this Agreement.

9. RIGHTS AND REMEDIES

9.1 Rights and Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, Collateral Agent may, and at the written direction of the Required Lenders shall, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Borrower, (ii) by notice to Borrower declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations shall be immediately due and payable without any action by Collateral Agent or the Lenders) or (iii) by notice to Borrower suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders (but if an Event of Default described in Section 8.5 occurs all obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders shall be immediately terminated without any action by Collateral Agent or the Lenders).

(b) Without limiting the rights of Collateral Agent and the Lenders set forth in Section 9.1(a) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right, at the written direction of the Required Lenders**,** without notice or demand, to do any or all of the following:

(i) foreclose upon and/or sell or otherwise liquidate, the Collateral;

(ii) apply to the Obligations any (a) balances and deposits of Borrower that Collateral Agent or any Lender holds or controls, or (b) any amount held or controlled by Collateral Agent or any Lender owing to or for the credit or the account of Borrower; and/or

(iii) commence and prosecute an Insolvency Proceeding or consent to Borrower commencing any Insolvency Proceeding.

(c) Without limiting the rights of Collateral Agent and the Lenders set forth in Sections 9.1(a) and (b) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right, without notice or demand, to do any or all of the following:

(i) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Collateral Agent considers advisable, notify any Person owing Borrower money of Collateral Agent's security interest in such funds, and verify the amount of such account;

(ii) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Collateral Agent requests and make it available in a location as Collateral Agent reasonably designates. Collateral 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 Collateral Agent a license to enter and occupy any of its premises, without charge, to exercise any of Collateral Agent's rights or remedies;

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

(iv) place a "hold" on any account maintained with Collateral Agent or the 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;

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

(vi) appoint a receiver to seize, manage and realize any of the Collateral, and such receiver shall have any right and authority as any competent court will grant or authorize in accordance with any applicable law, including any power or authority to manage the business of Borrower or any of its Subsidiaries; and

(vii) subject to clauses 9.1(a) and (b), exercise all rights and remedies available to Collateral Agent and each Lender 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).

Notwithstanding any provision of this Section 9.1 to the contrary, upon the occurrence of any Event of Default, Collateral Agent shall have the right to exercise any and all remedies referenced in this Section 9.1 without the written consent of Required Lenders following the occurrence of an Exigent Circumstance. As used in the immediately preceding sentence, "**Exigent Circumstance**" means any event or circumstance that, in the reasonable judgment of Collateral Agent, imminently threatens the ability of Collateral Agent to realize upon all or any material portion of the Collateral, such as, without limitation, fraudulent removal, concealment, or abscondment thereof, destruction or material waste thereof, or failure of Borrower or any of its Subsidiaries after reasonable demand to maintain or reinstate adequate casualty insurance coverage, or which, in the judgment of Collateral Agent, could reasonably be expected to result in a material diminution in value of the Collateral.

9.2 Power of Attorney. Borrower hereby irrevocably appoints Collateral Agent as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's or any of its Subsidiaries' name on any checks or other forms of payment or security; (b) sign

Borrower's or any of its Subsidiaries' 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 Collateral 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 Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney-in-fact to sign Borrower's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Collateral Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and Collateral Agent and the Lenders are under no further obligation to make Credit Extensions hereunder. Collateral Agent's foregoing appointment as Borrower's or any of its Subsidiaries' attorney in fact, and all of Collateral Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Collateral Agent's and the Lenders' obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower or any of its Subsidiaries fail 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 or any of its Subsidiaries is obligated to pay under this Agreement or any other Loan Document, Collateral Agent may obtain such insurance or make such payment, and all amounts so paid by Collateral Agent are Lenders' Expenses and immediately due and payable, bearing interest at the Default Rate, and secured by the Collateral. Collateral Agent will make reasonable efforts to provide Borrower with notice of Collateral Agent obtaining such insurance or making such payment at the time it is obtained or paid or within a reasonable time thereafter. No such payments by Collateral Agent are deemed an agreement to make similar payments in the future or Collateral Agent's waiver of any Event of Default.

9.4 Application of Payments and Proceeds. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, (a) Borrower irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Collateral Agent from or on behalf of Borrower or any of its Subsidiaries of all or any part of the Obligations, and, as between Borrower on the one hand and Collateral Agent and Lenders on the other, Collateral Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as Collateral Agent may deem advisable notwithstanding any previous application by Collateral Agent, and (b) the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: first, to the Lenders' Expenses; second, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the United States Bankruptcy Code, would have accrued on such amounts); third, to the principal amount of the Obligations outstanding; and fourth, to any other indebtedness or obligations of Borrower owing to Collateral Agent or any Lender under the Loan Documents. Any balance remaining shall be delivered to Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (y) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category. Any reference in this Agreement to an allocation between or sharing by the Lenders of any right, interest or obligation "ratably," "proportionally" or in similar terms shall refer to Pro Rata Share unless expressly provided otherwise. Collateral Agent, or if applicable, each Lender, shall promptly remit to the other Lenders such sums as may be necessary to ensure the ratable repayment of each Lender's portion of any Term Loan and the ratable distribution of interest, fees and reimbursements paid or made by Borrower. Notwithstanding the foregoing, a Lender receiving a scheduled payment shall not be responsible for determining whether the other Lenders also received their scheduled payment on such date; provided, however, if it is later determined that a Lender received more than its ratable share of scheduled payments made on any date or dates, then such Lender shall remit to Collateral Agent or other Lenders such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by Collateral Agent. If any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Lender in excess of its ratable share, then the portion of such payment or distribution in excess of such Lender's ratable share shall be received by such Lender in trust for and shall be promptly paid over to the other Lender for application to the payments of amounts due on the other Lenders' claims. To the extent any payment for the account of Borrower is required to be returned

as a voidable transfer or otherwise, the Lenders shall contribute to one another as is necessary to ensure that such return of payment is on a pro rata basis. If any Lender shall obtain possession of any Collateral, it shall hold such Collateral for itself and as agent and bailee for Collateral Agent and other Lenders for purposes of perfecting Collateral Agent's security interest therein.

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

9.6 No Waiver; Remedies Cumulative. Failure by Collateral Agent or any Lender, 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 Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Collateral Agent and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is not an election, and Collateral Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Collateral Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives, to the fullest extent permitted by law, 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 Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, "**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 facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Collateral Agent, Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	Agile Therapeutics, Inc. 101 Poor Farm Road Princeton, NJ 08540 Attn: Chief Financial Officer Fax: (609) 683-1855
with a copy (which shall not constitute notice) to:	Duane Morris LLP 30 South 17th Street Philadelphia, PA 19103-4196 Attn: Kathleen M. Shay Fax: (215) 689-4382

If to Collateral Agent:	OXFORD FINANCE LLC 133 North Fairfax Street Alexandria, Virginia 22314 Attention: Legal Department Fax: (703) 519-5225
with a copy (which shall not constitute notice) to:	Greenberg Traurig, LLP One International Place Boston, MA 02110 Attn: Jonathan Bell Fax: (617) 310-6001

11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower**, Lenders** and **Collateral Agent** each submit to the exclusive jurisdiction of the State and Federal courts in the City of New York, Borough of Manhattan. NOTWITHSTANDING THE FOREGOING, **COLLATERAL AGENT AND THE LENDERS** SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH **COLLATERAL AGENT AND THE LENDERS (IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9.1) DEEM** NECESSARY OR APPROPRIATE TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE **COLLATERAL AGENT'S AND THE LENDERS'** RIGHTS AGAINST BORROWER OR ITS PROPERTY. 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 10 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, first class, registered or certified mail return receipt requested, proper postage prepaid.

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

12. GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent's and each Lender's prior written consent (which may be granted or withheld in Collateral Agent's and each Lender's discretion, subject to Section 12.6). The Lenders have the right, without the consent of or notice to Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in **(any such sale, transfer, assignment, negotiation,** or grant of a participation, a **"Lender Transfer")** all or any part of, or any interest in, the Lenders' obligations, rights, and benefits under this Agreement and the other Loan Documents; *provided*, *however*, that any such Lender Transfer (other than a transfer, pledge, sale or assignment to an Eligible Assignee) of its obligations, rights, and benefits under this Agreement and the other Loan Documents

shall require the prior written consent of the Required Lenders (such approved assignee, an "**Approved Lender**"). Borrower and Collateral Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned until Collateral Agent shall have received and accepted an effective assignment agreement in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee or Approved Lender as Collateral Agent reasonably shall require. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and is continuing, no Lender Transfer (other than a Lender Transfer (i) in respect of the Warrants or (ii) in connection with (x) assignments by a Lender due to a forced divestiture at the request of any regulatory agency; or (y) upon the occurrence of a default, event of default or similar occurrence with respect to a Lender's own financing or securitization transactions) shall be permitted, without Borrower's consent, to any Person which is an Affiliate or Subsidiary of Borrower, a direct competitor of Borrower or a vulture hedge fund, each as determined by Collateral Agent.

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Collateral Agent and the Lenders and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or Lenders' Expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the 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. Borrower hereby further indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

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

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

12.5 Correction of Loan Documents. Collateral Agent and the Lenders may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties**.**

12.6 Amendments in Writing; Integration. (a) Subject to the provisions of Section 12.6(c) below, no amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, or any consent to any departure by Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral Agent and the Required Lenders provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender's Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender's written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Collateral Agent shall be effective without Collateral Agent's written consent or signature;

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Term Loan (B) postpone the date fixed for, or waive, any payment of principal of any Term Loan or of interest on any Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term "**Required Lenders**" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral or release any Guarantor of all or any portion of the Obligations or its guaranty obligations with respect thereto, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 12.6 or the definitions of the terms used in this Section 12.6 insofar as the definitions affect the substance of this Section 12.6; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 9.4 or amend any of the definitions Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations; or (I) amend any of the provisions of Section 12.10. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the preceding sentence;

(iv) the provisions of the foregoing clauses (i), (ii) and (iii) are subject to the provisions of any interlender or agency agreement among the Lenders and Collateral Agent pursuant to which any Lender may agree to give its consent in connection with any amendment, waiver or modification of the Loan Documents only in the event of the unanimous agreement of all Lenders.

(b) Other than as expressly provided for in Section 12.6(a)(i)-(iii), Collateral Agent may, if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.

(c) This Agreement and 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 this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

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

12.8 Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Borrower in Section 12.2 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.9 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.9 Confidentiality. In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders' and Collateral Agent's Subsidiaries or Affiliates, or in connection with a Lender's own financing or securitization transactions and upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Credit Extensions (provided, however, the Lenders and Collateral Agent shall, except upon the occurrence and during the continuation of an Event of Default, obtain such prospective transferee's

or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Lenders' or Collateral Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third party service providers of the Lenders and/or Collateral Agent so long as such service providers have executed a confidentiality agreement with the Lenders and Collateral Agent with terms no less restrictive than those contained herein. Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Collateral Agent's possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent; or (ii) is disclosed to the Lenders and/or Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis, so long as Collateral Agent or the Lenders do not disclose Borrower's identity or the identity of any person associated with Borrower unless otherwise expressly permitted by this Agreement. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.9 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.9.

12.10 Right of Set Off. Borrower hereby grants to Collateral Agent and to each Lender, a lien, security interest and right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Collateral Agent or the Lenders or any entity under the control of Collateral Agent or the Lenders (including a Collateral Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT 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.

12.11 Cooperation of Borrower. If necessary, Borrower agrees to (i) execute any documents (including new Secured Promissory Notes) reasonably required to effectuate and acknowledge each assignment of a Term Loan Commitment or Loan to an assignee in accordance with Section 12.1, (ii) make Borrower's management available to meet with Collateral Agent and prospective participants and assignees of Term Loan Commitments or Credit Extensions (which meetings shall be conducted no more often than twice every twelve months unless an Event of Default has occurred and is continuing), and (iii) assist Collateral Agent or the Lenders in the preparation of information relating to the financial affairs of Borrower as any prospective participant or assignee of a Term Loan Commitment or Term Loan reasonably may request. Subject to the provisions of Section 12.9, Borrower authorizes each Lender to disclose to any prospective participant or assignee of a Term Loan Commitment, any and all information in such Lender's possession concerning Borrower and its financial affairs which has been delivered to such Lender by or on behalf of Borrower pursuant to this Agreement, or which has been delivered to such Lender by or on behalf of Borrower in connection with such Lender's credit evaluation of Borrower prior to entering into this Agreement.

13. DEFINITIONS

13.1 Definitions. As used in this Agreement, the following 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**" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, 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.

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

"**Amortization Date**" with respect to each Term A Loan and each Term B Loan, is February 1, 2014 if the FDA Approval is not received by the Borrower, or its proof is not made available to the Collateral Agent and the Lenders, on or before the FDA Approval Deadline, and February 1, 2015 if the FDA Approval is received by the Borrower, and its proof is made available to the Collateral Agent and the Lenders, on or before the FDA Approval Deadline.

"**Annual Projections**" is defined in Section 6.2(a).

"**Anti-Terrorism Laws**" are any laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

"**Approved Fund**" is any (i) investment company, fund, trust, securitization vehicle or conduit that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business or (ii) any Person (other than a natural person) which temporarily warehouses loans for any Lender or any entity described in the preceding clause (i) and that, with respect to each of the preceding clauses (i) and (ii), is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) a Person (other than a natural person) or an Affiliate of a Person (other than a natural person) that administers or manages a Lender.

"**Approved Lender**" is defined in Section 12.1.

"**Basic Rate**" is, with respect to a Term Loan, the per annum rate of interest (based on a year of three hundred sixty (360) days) equal to the greater of (i) Nine And Two Tenths percent (9.2%) and (ii) the sum of (a) the Three (3) month U.S. LIBOR rate reported in the Wall Street Journal three (3) Business Days prior to the Funding Date of such Term Loan, plus (b) Eight And Seventy-Three Hundredths percent (8.73%).

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

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

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

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

"**Cash Equivalents**" are (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., and (c) certificates of deposit

maturing no more than one (1) year after issue provided that the account in which any such certificate of deposit is maintained is subject to a Control Agreement in favor of Collateral Agent. For the avoidance of doubt, the direct purchase by Borrower or any of its Subsidiaries of any Auction Rate Securities, or purchasing participations in, or entering into any type of swap or other derivative transaction, or otherwise holding or engaging in any ownership interest in any type of Auction Rate Security by Borrower or any of its Subsidiaries shall be conclusively determined by the Lenders as an ineligible Cash Equivalent, and any such transaction shall expressly violate each other provision of this Agreement governing Permitted Investments. Notwithstanding the foregoing, Cash Equivalents does not include and Borrower, and each of its Subsidiaries, are prohibited from purchasing, purchasing participations in, entering into any type of swap or other equivalent derivative transaction, or otherwise holding or engaging in any ownership interest in any type of debt instrument, including, without limitation, any corporate or municipal bonds with a long-term nominal maturity for which the interest rate is reset through a dutch auction and more commonly referred to as an auction rate security.

"**Claims**" are defined in Section 12.2.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; 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, Collateral Agent's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" 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.

"**Collateral Agent**" is, Oxford, not in its individual capacity, but solely in its capacity as agent on behalf of and for the benefit of the Lenders.

"**Commitment Percentage**" is set forth in Schedule 1.1, as amended from time to time.

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

"**Communication**" is defined in Section 10.

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

"**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 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. The accrual (as opposed to the payment, or the binding obligation to make the payment) of a dividend on shares of capital stock of Borrower pursuant to Borrower's Certificate of Incorporation, as in effect from time to time, shall not constitute a Contingent Obligation.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower or any of its Subsidiaries maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower or any of its Subsidiaries maintains a Securities Account or a Commodity Account, Borrower and such Subsidiary, and Collateral Agent pursuant to which Collateral 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 or 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 or any other extension of credit by Collateral Agent or Lenders for Borrower's benefit.

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

"**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 Borrower's deposit account, account number 3300951390, maintained with Silicon Valley Bank, at its branch located at 3003 Tasman Drive, Santa Clara, CA 95054.

"**Disbursement Letter**" is that certain form attached hereto as Exhibit B-1.

"**Dollars**," "**dollars**" and "$" each mean lawful money of the United States.

"**Effective Date**" is defined in the preamble of this Agreement.

"**Eligible Assignee**" is (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund and (iv) any commercial bank, savings and loan association or savings bank or any other entity which is an "accredited investor" (as defined in Regulation D under the Securities Act of 1933, as amended) and which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which either (A) has a rating of BBB or higher from Standard & Poor's Rating Group and a rating of Baa2 or higher from Moody's Investors Service, Inc. at the date that it becomes a Lender or (B) has total assets in excess of Five Billion Dollars ($5,000,000,000.00), and in each case of clauses (i) through (iv), which, through its applicable lending office, is capable of lending to Borrower without the imposition of any withholding or similar taxes; provided that notwithstanding the foregoing, "Eligible Assignee" shall not include, unless an Event of Default has occurred and is continuing, (i) Borrower or any of Borrower's Affiliates or Subsidiaries or (ii) a direct competitor of Borrower or a vulture hedge fund, each as determined by Collateral Agent. Notwithstanding the foregoing, (x) in connection with assignments by a Lender due to a forced divestiture at the request of any regulatory agency, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party and (y) in connection with a Lender's own financing or securitization transactions, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party providing such financing or formed to undertake such securitization transaction and any transferee of such Person or party upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; provided that no such sale, transfer, pledge or assignment under this clause (y) shall release such Lender from any of its obligations hereunder or substitute any such Person or party for such Lender as a party hereto until Collateral Agent shall have received and accepted an effective assignment agreement from such Person or party in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee as Collateral Agent reasonably shall require.

"**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, as amended, and its regulations.

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

"**FDA Approval**" is the final approval by the U.S. Federal Drug and Food Administration of Borrower's contraceptive patch AG200-15, in form and substance acceptable to the Collateral Agent and the Required Lenders.

"**FDA Approval Deadline**" is January 31, 2014.

"**Final Payment**" is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the earliest to occur of (a) the Maturity Date, or (b) the acceleration of the Term Loans, or (c) the prepayment of Term Loans pursuant to Section 2.2(c) or (d), equal to the aggregate original principal amount of the Term Loans multiplied by the Final Payment Percentage, payable to Lenders in accordance with their respective Pro Rata Shares.

"**Final Payment Percentage**" shall be Five And Fifteen Hundredths percent (5.15%) if the Borrower received the FDA Approval, and made its proof available to the Collateral Agent and the Lenders, on or before the FDA Approval Deadline and Four And Five Tenths percent (4.50%) if the Borrower does not obtain the FDA Approval, or fails to make its proof available to the Collateral Agent and the Lenders, on or before the FDA Approval Deadline.

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

"**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 in the United States, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" are 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 copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental 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 Collateral Agent.

"**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 12.2.

"**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.

"**Insolvent**" means not Solvent.

"**Intellectual Property**" means all of Borrower's or any Subsidiary'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, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to Borrower;

(e) 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; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**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 any Person'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, payment or capital contribution to any Person.

"**Key Person**" is each of Borrower's (i) Chief Executive Officer, who is Al Altomari as of the Effective Date, (ii) Chief Financial Officer, who is Scott M. Coiante as of the Effective Date and (iii) Chief Medical Officer, who is Marie Foegh MD as of the Effective Date.

"**Lender**" is any one of the Lenders.

"**Lenders**" are the Persons identified on Schedule 1.1 hereto and each assignee that becomes a party to this Agreement pursuant to Section 12.1.

"**Lenders' Expenses**" are all audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses, as well as appraisal fees, fees incurred on account of lien searches, inspection fees, and filing fees) 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 by Collateral Agent and/or the Lenders in connection with the Loan Documents.

"**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, the Warrants, the Perfection Certificates, each Compliance Certificate, each Disbursement Letter, the Post Closing Letter, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any other present or future agreement entered into by Borrower, any Guarantor or any other Person for the benefit of the Lenders and Collateral Agent 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 Collateral Agent's 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 any Subsidiary; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

"**Maturity Date**" for each Term Loan is (i) July 1, 2017 if the FDA Approval is received by the Borrower, and its proof is made available to the Collateral Agent and the Lenders, on or before the FDA Approval Deadline; and (ii) July 1, 2016 otherwise.

"**Obligations**" are all of Borrower's obligations to pay when due any debts, principal, interest, Lenders' Expenses, the Prepayment Fee, the Final Payment, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents (other than the Warrants), or otherwise, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower's duties under the Loan Documents (other than the Warrants).

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

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

"**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 Date**" is the first (1st) calendar day of each calendar month which is a Business Day, commencing on January 1, 2013.

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

"**Permitted Indebtedness**" is:

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

(b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s);

(c) Subordinated Debt;

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

(e) Indebtedness consisting of capitalized lease obligations and purchase money Indebtedness, in each case incurred by Borrower or any of its Subsidiaries to finance the acquisition, repair, improvement or construction of fixed or capital assets of such person, provided that (i) the aggregate outstanding principal amount of all such Indebtedness does not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) at any time and (ii) the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed with such Indebtedness (each measured at the time of such acquisition, repair, improvement or construction is made);

(f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of Borrower's business; and

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

"**Permitted Investments**" are:

(a) Investments disclosed on the Perfection Certificate(s) and existing on the Effective Date;

(b) (i) Investments consisting of Cash Equivalents, and (ii) any Investments permitted by Borrower's investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by Collateral Agent;

(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 in which Collateral Agent has a perfected security interest;

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

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

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

(h) 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 (h) shall not apply to Investments of Borrower in any Subsidiary.

"**Permitted Licenses**" are (A) licenses of over-the-counter software that is commercially available to the public, and (B) non-exclusive and exclusive licenses for the use of the Intellectual Property of Borrower or any of its Subsidiaries entered into in the ordinary course of business, provided, that, with respect to each such license described in clause (B), (i) no Event of Default has occurred or is continuing at the time of such license; (ii) the license constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment of any Intellectual Property and do not restrict the ability of Borrower or any of its Subsidiaries, as applicable, to pledge, grant a security interest in or lien on, or assign or otherwise Transfer any Intellectual Property; (iii) in the case of any exclusive license, (x) Borrower delivers twenty (20) days' prior written notice and a brief

summary of the terms of the proposed license to Collateral Agent and the Lenders and delivers to Collateral Agent and the Lenders copies of the final executed licensing documents in connection with the exclusive license promptly upon consummation thereof, (y) any such license is made in connection with a bona fide corporate collaboration or partnership, and is approved by Borrower's (or the applicable Subsidiary's) board of directors, and (z) any such license could not result in a legal transfer of title of the licensed property but may be exclusive in respects other than territory and may be exclusive as to territory only as to discrete geographical areas outside of the United States; and (iv) all upfront payments, royalties, milestone payments or other proceeds arising from the licensing agreement that are payable to Borrower or any of its Subsidiaries are paid to a Deposit Account that is governed by a Control Agreement.

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date and disclosed on the Perfection Certificates or arising under this Agreement and 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 its 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) liens securing Indebtedness permitted under clause (e) of the definition of "**Permitted Indebtedness**," provided that (i) such liens exist prior to the acquisition of, or attach substantially simultaneous with, or within twenty (20) days after the, acquisition, lease, repair, improvement or construction of, such property financed or leased by such Indebtedness and (ii) such liens do not extend to any property of Borrower other than the property (and proceeds thereof) acquired, leased or built, or the improvements or repairs, financed by such Indebtedness;

(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 Fifty Thousand Dollars ($50,000.00), 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 Collateral Agent or any Lender a security interest therein;

(h) banker's liens, rights of setoff and Liens in favor of financial institutions incurred made in the ordinary course of business arising in connection with Borrower's deposit accounts or securities accounts held at such institutions solely to secure payment of fees and similar costs and expenses and provided such accounts are maintained in compliance with Section 6.6(b) hereof;

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

(j) Liens consisting of Permitted Licenses.

"**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.

"**Post Closing Letter**" is that certain Post Closing Letter dated as of the Effective Date by and among Collateral Agent, the Lenders and Borrower.

"**Prepayment Fee**" is, with respect to any Term Loan subject to prepayment prior to the Maturity Date, whether by mandatory or voluntary prepayment, acceleration or otherwise, an additional fee payable to the Lenders in amount equal to:

(i) for a prepayment made on or after the Funding Date of such Term Loan through and including the second anniversary of the Funding Date of such Term Loan, two percent (2%) of the principal amount of such Term Loan prepaid; and

(ii) for a prepayment made after the date which is after the second anniversary of the Funding Date of such Term Loan and before the Maturity Date, Seventy-Five Hundredth of a percent (0.75%) of the principal amount of the Term Loans prepaid.

"**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 Loans held by such Lender by the aggregate outstanding principal amount of all Term Loans.

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

"**Required Lenders**" means (i) for so long as all of the Persons that are Lenders on the Effective Date (each an "**Original Lender**") have not assigned or transferred any of their interests in their respective Term Loans, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loans, or (ii) at any time from and after any Original Lender has assigned or transferred any interest in its Term Loans, Lenders holding, sixty-six percent (66%) or more of the aggregate outstanding principal balance of the Term Loans, *plus*, in respect of this clause (ii), (A) each Original Lender that has not assigned or transferred any portion of its respective Term Loan, (B) each assignee of an Original Lender provided such assignee was assigned or transferred and continues to hold one hundred percent (100%) of the assigning Original Lender's interest in the Term Loans and (C) any Person or party providing financing to an Original Lender or formed to undertake a securitization transaction with respect to an Original Lender and any transferee of such Person or party upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction (in each case in respect of clauses (A), (B) and (C) of this clause (ii), whether or not such Lender is included within the Lenders holding sixty-six percent (66%) of the Terms Loans); *provided*, *however*, that notwithstanding the foregoing, for purposes of Section 9.1(b) hereof, "Required Lenders" means (i) for so long as all Original Lenders retain one hundred percent (100%) of their interests in their respective Term Loans, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loans, or (ii) at any time from and after any Original Lender has assigned or transferred any interest in its Term Loans, Lenders holding, sixty-six percent (66%) or more of the aggregate outstanding principal balance of the Term Loans, plus, in respect of this clause (ii), each Original Lender that has not assigned or transferred any portion of its respective Term Loan (in each case in respect of this clause (ii), whether or not such Original Lender is included within the Lenders holding sixty-six percent (66%) of the Term Loans). For purposes of this definition only, a Lender shall be deemed to include itself, and any Lender that is an Affiliate or Approved Fund of such Lender.

"**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 President, Chief Executive Officer, or Chief Financial Officer of Borrower acting alone.

"**Second Draw Period**" is the period commencing on the Effective Date and ending on the earlier of (i) December 31, 2012 and (ii) the occurrence of an Event of Default.

"**Secured Promissory Note**" is defined in Section 2.4.

"**Secured Promissory Note Record**" is a record maintained by each Lender with respect to the outstanding Obligations owed by Borrower to Lender and credits made thereto.

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

"**Solvent**" is, with respect to any Person: the fair salable value of such Person's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person's liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature.

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

"**Subsidiary**" is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or one or more of Affiliates of such Person.

"**Term Loans**" and "**Term Loan**" is defined in Section 2.2(a)(ii) hereof.

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

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

"**Term Loan Commitment**" is, for any Lender, the obligation of such Lender to make a Term Loan, up to the principal amount shown on Schedule 1.1. "**Term Loan Commitments**" means the aggregate amount of such commitments of all Lenders.

"**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.

"**Warrants**" are those certain Warrants to Purchase Stock dated as of the Effective Date, or any date thereafter, issued by Borrower in favor of each Lender or such Lender's Affiliates.

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

BORROWER:

AGILE THERAPEUTICS, INC.

By /s Al Altomari
Name: Al Altomari
Title: President and CEO

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By /s Mark Davis
Name: Mark Davis
Title: Vice President — Finance, Secretary & Treasurer

[*Signature Page to Loan and Security Agreement*]

SCHEDULE 1.1

Lenders and Commitments

Term A Loans

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	$ 5,000,000	100.00%
TOTAL	**$ 5,000,000**	**100.00%**

Term B Loans

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	$ 10,000,000	100.00%
TOTAL	**$ 10,000,000**	**100.00%**

Aggregate (all Term Loans)

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	$ 15,000,000	100.00%
TOTAL	**$ 15,000,000**	**100.00%**

EXHIBIT A

Description of Collateral

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 noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all 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 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 Collateral 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 Collateral Agent and the Lenders, Borrower has agreed not to encumber any of its Intellectual Property.

EXHIBIT B-1

Form of Disbursement Letter

[see attached]

DISBURSEMENT LETTER

[DATE]

The undersigned, being the duly elected and acting of AGILE THERAPEUTICS, INC., a Delaware corporation with offices located at 101 Poor Farm Road, Princeton, NJ 08540 ("**Borrower**"), does hereby certify to **OXFORD FINANCE LLC** ("**Oxford**" and "**Lender**"), as collateral agent (the "**Collateral Agent**") in connection with that certain Loan and Security Agreement dated as of December 14, 2012, by and among Borrower, Collateral 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 the Loan to be made on or about the date hereof have been satisfied or waived by Collateral Agent.

5. No Material Adverse Change has occurred.

6. The undersigned is a Responsible Officer.

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7. The proceeds of the Term [A][B] Loan shall be disbursed as follows:

Disbursement from Oxford:		
Loan Amount	$	
Plus:		
—Deposit Received		$
Less:		
—Facility Fee		$ ( )
[—Existing Debt Payoff to be remitted to [PAYOFF BANK] per the Payoff Letter dated [DATE]		$ ( )]
[—Interim Interest		$ ( )]
—Lender's Legal Fees		$ ( )*
Net Proceeds due from Oxford:	**$**	
TOTAL TERM [A][B] LOAN NET PROCEEDS FROM LENDERS	**$**	

8. The [initial][Term Loan][Term A Loan] shall amortize in accordance with the Amortization Table attached hereto.

9. The aggregate net proceeds of the Term Loans shall be transferred to the Designated Deposit Account as follows:

Account Name:	AGILE THERAPEUTICS, INC.
Bank Name:	Silicon Valley Bank
Bank Address:	3003 Tasman Drive, Santa Clara, CA 95054
Account Number:	3300951390
ABA Number:	121140399

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* Legal fees and costs are through the Effective Date. Post-closing legal fees and costs, payable after the Effective Date, to be invoiced and paid post-closing.

Dated as of the date first set forth above.

BORROWER:

AGILE THERAPEUTICS, INC.

By _____
Name: _____
Title: _____

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By _____

Name: _____
Title: _____

[*Signature Page to Disbursement Letter*]

AMORTIZATION TABLE
(Term [A][B] Loan)

[see attached]

EXHIBIT C

Compliance Certificate

TO: OXFORD FINANCE LLC, as Collateral Agent and Lender

FROM: AGILE THERAPEUTICS, INC.

The undersigned authorized officer ("**Officer**") of AGILE THERAPEUTICS, INC. ("**Borrower**"), hereby certifies that in accordance with the terms and conditions of the Loan and Security Agreement by and among Borrower, Collateral Agent, and the Lenders from time to time party thereto (the "**Loan Agreement**;" capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement),

(i) Borrower is in complete compliance for the period ending with all required covenants except as noted below;

(ii) There are no Events of Default, except as noted below;

(iii) Except as noted below, all representations and warranties of Borrower stated in the Loan Documents are true and correct in all material respects on this date and for the period described in (i), above; 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.

(iv) Borrower, and each of Borrower's Subsidiaries, has timely filed all required tax returns and reports, Borrower, and each of Borrower's Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower, or Subsidiary, except as otherwise permitted pursuant to the terms of Section 5.8 of the Loan Agreement;

(v) 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 Collateral Agent and the Lenders.

Attached are the required documents, if any, supporting our certification(s). The Officer, on behalf of Borrower, further certifies that the attached financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes and except, in the case of unaudited financial statements, for the absence of footnotes and subject to year-end audit adjustments as to the interim financial statements.

Please indicate compliance status since the last Compliance Certificate by circling Yes, No, or N/A under "Complies" column.

	Reporting Covenant	Requirement	Complies		
1)	Financial statements	Monthly within 30 days	Yes	No	N/A
2)	Annual (CPA Audited) statements	Within 120 days after Fiscal Year End	Yes	No	N/A
3)	Annual Financial Projections/Budget (prepared on a monthly basis)	Annually (w/n 10 days of FYE). and when revised	Yes	No	N/A

---

4)	A/R & A/P agings	If applicable	Yes	No	N/A
5)	8-K, 10-K and 10-Q Filings	If applicable, within 5 days of filing	Yes	No	N/A
6)	Compliance Certificate	Monthly within 30 days	Yes	No	N/A
7)	IP Report	when required	Yes	No	N/A
8)	Total amount of Borrower's cash and cash equivalents at the last day of the measurement period	$			
9)	Total amount of Borrower's Subsidiaries' cash and cash equivalents at the last day of the measurement period	$			

Deposit and Securities Accounts ***(Please list all accounts; attach separate sheet if additional space needed)***

	Bank	Account Number	New Account?		Acct Control Agmt in place?	
1)			Yes	No	Yes	No
2)			Yes	No	Yes	No
3)			Yes	No	Yes	No
4)			Yes	No	Yes	No
5)			Yes	No	Yes	No
6)			Yes	No	Yes	No

Other Matters

Have there been any changes in management since the last Compliance Certificate?	Yes	No
Have there been any transfers/sales/disposals/retirement of Collateral or IP prohibited by the Loan Agreement?	Yes	No

Have there been any new or pending claims or causes of action against Borrower that involve more than Two Hundred Fifty Thousand Dollars ($250,000.00)?	Yes	No

Exceptions

Please explain any exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions." Attach separate sheet if additional space needed.)

LENDERS USE ONLY

AGILE THERAPEUTICS, INC. DATE

By: _____ Received by: _____ Verified by: _____

Name: _____

Title: _____ Date: _____ Date: _____

Compliance Status Yes No

EXHIBIT D

Form of Secured Promissory Note

[see attached]

SECURED PROMISSORY NOTE
(Term [A][B] Loan)

$ Dated: [DATE]

FOR VALUE RECEIVED, the undersigned, AGILE THERAPEUTICS, INC., a Delaware corporation with offices located at 101 Poor Farm Road, Princeton, NJ 08540 ("**Borrower**") HEREBY PROMISES TO PAY to the order of OXFORD FINANCE LLC ("**Lender**") the principal amount of MILLION DOLLARS ($) or such lesser amount as shall equal the outstanding principal balance of the Term [A][B] Loan made to Borrower by Lender, plus interest on the aggregate unpaid principal amount of such Term [A][B] Loan, at the rates and in accordance with the terms of the Loan and Security Agreement dated December 14, 2012 by and among Borrower, Lender, Oxford Finance LLC, as Collateral Agent, and the other Lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"). If not sooner paid, the entire principal amount and all accrued and unpaid interest hereunder shall be due and payable on the Maturity Date as set forth in the Loan Agreement. Any capitalized term not otherwise defined herein shall have the meaning attributed to such term in the Loan Agreement.

Principal, interest and all other amounts due with respect to the Term [A][B] Loan, are payable in lawful money of the United States of America to Lender as set forth in the Loan Agreement and this Secured Promissory Note (this "**Note**"). The principal amount of this Note and the interest rate applicable thereto, and all payments made with respect thereto, shall be recorded by Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Note.

The Loan Agreement, among other things, (a) provides for the making of a secured Term [A][B] Loan by Lender to Borrower, and (b) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

This Note may not be prepaid except as set forth in Section 2.2 (c) and Section 2.2(d) of the Loan Agreement.

This Note and the obligation of Borrower to repay the unpaid principal amount of the Term [A][B] Loan, interest on the Term [A][B] Loan and all other amounts due Lender under the Loan Agreement is secured under the Loan Agreement.

Presentment for payment, demand, notice of protest and all other demands and notices of any kind in connection with the execution, delivery, performance and enforcement of this Note are hereby waived.

Borrower shall pay all reasonable fees and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred by Lender in the enforcement or attempt to enforce any of Borrower's obligations hereunder not performed when due.

This Note shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of New York.

The ownership of an interest in this Note shall be registered on a record of ownership maintained by Lender or its agent. Notwithstanding anything else in this Note to the contrary, the right to the principal of, and stated interest on, this Note may be transferred only if the transfer is registered on such record of ownership and the transferee is identified as the owner of an interest in the obligation. Borrower shall be entitled to treat the registered holder of this Note (as recorded on such record of ownership) as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Note on the part of any other person or entity.

[Balance of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed by one of its officers thereunto duly authorized on the date hereof.

BORROWER:

AGILE THERAPEUTICS, INC.

By _____
Name: _____
Title: _____

LOAN INTEREST RATE AND PAYMENTS OF PRINCIPAL

Date	Principal Amount	Interest Rate	Scheduled Payment Amount	Notation By

CORPORATE BORROWING CERTIFICATE

BORROWER: **AGILE THERAPEUTICS, INC.** **DATE: [ ]**
LENDER: OXFORD FINANCE LLC, as Collateral Agent and Lender

I hereby certify as follows, as of the date set forth above:

1. I am the Secretary, Assistant Secretary or other officer of Borrower. My title is as set forth below.

2. Borrower's exact legal name is set forth above. Borrower is a corporation existing under the laws of the State of Delaware.

3. Attached hereto as Exhibit A and Exhibit B, respectively, are true, correct and complete copies of (i) Borrower's Certificate of Incorporation (including amendments), as filed with the Secretary of State of the state in which Borrower is incorporated as set forth in paragraph 2 above; and (ii) Borrower's Bylaws. Neither such Certificate of Incorporation nor such Bylaws have been amended, annulled, rescinded, revoked or supplemented, and such Articles/Certificate of Incorporation and such Bylaws remain in full force and effect as of the date hereof.

4. The following resolutions were duly and validly adopted by Borrower's Board of Directors at a duly held meeting of such directors (or pursuant to a unanimous written consent or other authorized corporate action). Such resolutions are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked, and the Lenders may rely on them until each Lender receives written notice of revocation from Borrower.

[*Balance of Page Intentionally Left Blank*]

RESOLVED, that **any one** of the following officers or employees of Borrower, whose names, titles and signatures are below, may act on behalf of Borrower:

Name	Title	Signature	Authorized to Add or Remove Signatories
			o
			o
			o
			o

RESOLVED FURTHER, that **any one** of the persons designated above with a checked box beside his or her name may, from time to time, add or remove any individuals to and from the above list of persons authorized to act on behalf of Borrower.

RESOLVED FURTHER, that such individuals may, on behalf of Borrower:

Borrow Money. Borrow money from the Lenders.

Execute Loan Documents. Execute any loan documents any Lender requires.

Grant Security. Grant Collateral Agent a security interest in any of Borrower's assets.

Negotiate Items. Negotiate or discount all drafts, trade acceptances, promissory notes, or other indebtedness in which Borrower has an interest and receive cash or otherwise use the proceeds.

Issue Warrants. Issue warrants for Borrower's capital stock.

Further Acts. Designate other individuals to request advances, pay fees and costs and execute other documents or agreements (including documents or agreement that waive Borrower's right to a jury trial) they believe to be necessary to effectuate such resolutions.

RESOLVED FURTHER, that all acts authorized by the above resolutions and any prior acts relating thereto are ratified.

[*Balance of Page Intentionally Left Blank*]

5. The persons listed above are Borrower's officers or employees with their titles and signatures shown next to their names.

By: _____

Name: _____

Title: _____

**** If the Secretary, Assistant Secretary or other certifying officer executing above is designated by the resolutions set forth in paragraph 4 as one of the authorized signing officers, this Certificate must also be signed by a second authorized officer or director of Borrower.*

I, the of Borrower, hereby certify as to paragraphs 1 through 5 above, as

of the date set forth above.

By: _____

Name:

Title: _____

[*Signature Page to Corporate Borrowing Certificate*]

EXHIBIT A

Articles/Certificate of Incorporation (including amendments)

[see attached]

EXHIBIT B

Bylaws

[see attached]

EXHIBIT A TO UCC FINANCING STATEMENT

Description of Collateral

The Collateral consists of all of Debtor'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 noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all 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 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 Collateral Agent's security interest in such Accounts and such other property of Debtor that are proceeds of the Intellectual Property.

Pursuant to the terms of a certain negative pledge arrangement with Collateral Agent and the Lenders, Debtor has agreed not to encumber any of its Intellectual Property.

Capitalized terms used but not defined herein have the meanings ascribed in the Uniform Commercial Code in effect in the State of New York as in effect from time to time (the "Code") or, if not defined in the Code, then in the Loan and Security Agreement by and between Debtor, Secured Party and the other Lenders party thereto (as modified, amended and/or restated from time to time).

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS FIRST AMENDMENT to Loan and Security Agreement (this "**Amendment**") is entered into as of January 31, 2014 (the "**Amendment Date**"), by and among OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 (in its individual capacity, "**Oxford**"; and in its capacity as Collateral Agent, "**Collateral Agent**"), the Lenders listed on Schedule 1.1 thereof from time to time including Oxford in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**") and Agile Therapeutics, Inc., a Delaware corporation with offices located at 101 Poor Farm Road, Princeton, NJ 08540 ("**Borrower**").

WHEREAS, Collateral Agent, Borrower and Lenders party thereto from time to time have entered into that certain Loan and Security Agreement, dated as of December 14, 2012 (as amended, supplemented or otherwise modified from time to time, the "**Loan Agreement**") pursuant to which Lenders have provided to Borrower certain loans in accordance with the terms and conditions thereof; and

WHEREAS, Borrower, Lenders and Collateral Agent desire to amend certain provisions of the Loan Agreement as provided herein and subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower, Lenders and Collateral Agent hereby agree as follows:

1. Capitalized terms used herein but not otherwise defined shall have the respective meanings given to them in the Loan Agreement.

2. Section 2.2(b) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(b) Repayment. Borrower shall make monthly payments of interest only commencing on the first (1st) Payment Date following the Funding Date of each Term Loan, and continuing on the Payment Date of each successive month thereafter through and including the Payment Date immediately preceding the Amortization Date. Borrower agrees to pay, on the Funding Date of each Term Loan, any initial partial monthly interest payment otherwise due for the period between the Funding Date of such Term Loan and the first Payment Date thereof. Commencing on the Amortization Date, and continuing on the Payment Date of each month thereafter, Borrower shall make consecutive equal monthly payments of principal and interest, in arrears, to each Lender, as calculated by Collateral Agent (which calculations shall be deemed correct absent manifest error) based upon: (1) the amount of such Lender's Term Loan, (2) the effective rate of interest, as determined in Section 2.3(a), and (3) a repayment schedule with respect to each of the Term A Loans and Term B Loans equal to (i) thirty (30) consecutive months, if the Equity Event occurs, (ii) twenty-four (24) consecutive months if the Bridge Equity Event occurs but the Equity Event does not occur and (iii) twenty-seven (27) consecutive months if neither the Bridge Equity Event nor the Equity Event occurs. All unpaid principal and accrued and unpaid interest with respect to each Term Loan is due and payable in full on the Maturity Date. Each Term Loan may only be prepaid in accordance with Sections 2.2(c) and 2.2(d)."

3. Section 2.2(c) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(c) Mandatory Prepayments. If the Term Loans are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Final Payment, (iii) the Prepayment Fee, plus (iv) all other Obligations that are due and payable, including Lenders' Expenses, the success fees set forth in Section 2.5(e) hereof and interest at the Default Rate with respect to any past due amounts. Notwithstanding (but without duplication with) the foregoing, on the Maturity Date, if the Final Payment had not previously been paid in full in connection with the prepayment of the Term Loans in full,

Borrower shall pay to Collateral Agent, for payment to each Lender in accordance with its respective Pro Rata Share, the Final Payment in respect of the Term Loans."

4. Section 2.2(d) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(d) Permitted Prepayment of Term Loans. Borrower shall have the option to prepay all, but not less than all, of the Term Loans advanced by the Lenders under this Agreement, provided Borrower (i) provides written notice to Collateral Agent of its election to prepay the Term Loans at least fifteen (15) days prior to such prepayment (or if such prepayment is in connection with a merger, consolidation, acquisition or sale of substantially all of the assets of the Borrower or any of its Subsidiaries, pursuant to the provisions of Section 7.1(f) and/or Section 7.3, at least ten (10) days prior to such prepayment), and (ii) pays to the Lenders on the date of such prepayment, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of (A) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (B) the Final Payment, (C) the Prepayment Fee, plus (D) all other Obligations that are due and payable, including Lenders' Expenses, the success fees set forth in Section 2.5(e) hereof and interest at the Default Rate with respect to any past due amounts."

5. Section 2.5(c) of the Loan Agreement is hereby amended by removing the word "and" at the end thereof.

6. Section 2.5(d) of the Loan Agreement is hereby amended and restated in its entirety as follows:

"(d) 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; and"

7. Section 2.5 of the Loan Agreement is hereby amended by adding the following subsection (e) thereto:

"(e) Success Fee. (i) A fully earned, non-refundable success fee equal to Seventy-Five Thousand Dollars ($75,000) payable upon the occurrence of the Limited Equity Event, (ii) a fully earned, non-refundable success fee equal to Seventy-Five Thousand Dollars ($75,000) payable upon the occurrence of the IPO (for the purposes of clarity, if the IPO and the Limited Equity Event are the same event, success fees under both clauses (i) and (ii) of this Section 2.5(e) shall become payable upon the occurrence of the IPO) and (iii) a fully earned, non-refundable success fee equal to the difference between (A) One Hundred Fifty Thousand Dollars ($150,000) and (B) the sum of the success fees paid under clauses (i) and (ii) of this Section 2.5(e), payable on the earlier of (X) Maturity Date and (Y) the prepayment prior to the Maturity Date, whether by mandatory or voluntary prepayment, acceleration or otherwise. For the avoidance of doubt, the maximum amount payable in respect of the total success fees contemplated by this Section 2.5(e) (including when the success fees under this Section 2.5(e) become payable pursuant to Section 2.2(c) and Section 2.2(d)) is One Hundred and Fifty Thousand Dollars ($150,000)."

8. Section 13.1 of the Loan Agreement is hereby amended by adding the following definitions, in alphabetical order, to such Section:

"**Bridge Equity Event**" is the receipt by Borrower on or after January 31, 2014 and before May 1, 2014, of net cash proceeds available for general corporate and/or general research and development purposes of not less than Three Million Dollars ($3,000,000) (less reasonable attorneys' fees incurred or required to be reimbursed by Borrower in connection with such transaction) from the issuance and sale by Borrower of its unsecured subordinated convertible debt and/or equity securities and the receipt by Collateral Agent and Lenders of evidence thereof.

"**Equity Event**" is the receipt by Borrower (on, or after, January 31, 2014 and (A) before May 1, 2014, if a separate Bridge Equity Event has not occurred until such date, and (B) before August 1, 2014, otherwise) of net cash proceeds available for general corporate and/or general research and development purposes of not less than Forty-Five Million Dollars ($45,000,000) (less reasonable attorneys' fees incurred or required to be reimbursed by Borrower in connection with such transaction) from the issuance and sale by Borrower

of its equity securities (which for the purposes of clarity shall not include convertible debt) in a private placement or in the IPO and the receipt by Collateral Agent and Lenders of evidence thereof.

"**IPO**" is with the Borrower's initial, underwritten public offering and sale of its equity securities pursuant to an effective registration statement under the U.S. Securities Act of 1933, as amended.

"**Limited Equity Event**" is the receipt by Borrower, on or after January 31, 2014 (and other than pursuant to the Bridge Equity Event), of net cash proceeds available for general corporate and/or general research and development purposes of not less than Ten Million Dollars ($10,000,000) (less reasonable attorney's fees incurred by Borrower in connection with such transaction) from the issuance and sale by Borrower of its unsecured subordinated convertible debt and/or equity securities.

9. Section 13.1 of the Loan Agreement is hereby further amended by amending and restating the definitions of "Amortization Date" and "Maturity Date" therein as follows:

"**Amortization Date**" with respect to each Term A Loan and each Term B Loan, is May 1, 2014 and shall automatically be revised to be (i) August 1, 2014, if the Bridge Equity Event occurs but the Equity Event does not occur and (ii) February 1, 2015 if the Equity Event occurs.

"**Maturity Date**" for each Term Loan is (i) July 1, 2017 if the Equity Event occurs; and (ii) July 1, 2016 otherwise.

10. Notwithstanding anything in the Loan Documents to the contrary, the parties hereby agree that Borrower shall provide its Annual Projections for its fiscal year 2014 (that it is obligated to provide under Section 6.2(a)(iii) of the Loan Agreement) to Collateral Agent and Lenders on or before February 28, 2014 and Borrower's failure to deliver such Annual Projections by January 10, 2014 (as required by Section 6.2(a)(iii) of the Loan Agreement prior to giving effect to this Amendment), and Lenders' rights or remedies hereunder as a result thereof, is hereby waived.

11. Limitation of Amendment.

    a. The amendments and waivers set forth in Sections 2 through 10, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right, remedy or obligation which Lenders or Borrower may now have or may have in the future under or in connection with any Loan Document, as amended hereby.

    b. This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

12. Simultaneously herewith, Borrower shall amend the Warrants issued pursuant to the Loan Agreement as agreed upon by Borrower and Oxford.

13. To induce Collateral Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Collateral Agent and Lenders as follows:

    a. Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

    b. Borrower has the power and due authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

    c. The organizational documents of Borrower delivered to Collateral Agent on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

d. The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (i) any law or regulation binding on or affecting Borrower, (ii) any contractual restriction with a Person binding on Borrower, (iii) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (iv) the organizational documents of Borrower;

e. The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

f. This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

14. Except as expressly set forth herein, the Loan Agreement shall continue in full force and effect without alteration or amendment. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements.

15. This Amendment shall be deemed effective as of the Amendment Date upon (a) the due execution and delivery to Collateral Agent of this Amendment by each party hereto and (b) Borrower's payment of all Lenders' Expenses incurred through the date hereof, which may be debited from any of Borrower's accounts with Lenders.

16. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument.

17. This Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New York.

[*Balance of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Loan and Security Agreement to be executed as of the date first set forth above.

BORROWER:

AGILE THERAPEUTICS, INC.

By /s/ Al Altomari
Name: Al Altomari
Title: President and CEO

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By /s/ Mark Davis
Name: Mark Davis
Title: Vice President of Finance

CONSULTING AGREEMENT

This **CONSULTING AGREEMENT** (this "***Agreement***") is entered into and effective as of this 24th day of May, 2012 (the "***Effective Date***"), by and between AGILE THERAPEUTICS, INC., a Delaware corporation (the "***Company***"), and SMARTPHARMA LLC, a New Jersey limited liability company (the "***Consultant***").

Background

On or around October 16, 2009, the parties hereto entered into a certain Consulting Agreement pursuant to which the Consultant did, and continues to, perform certain services for certain remuneration all as described in greater detail therein (the "***Original Agreement***"). The parties have determined it to be in their respective best interests, and therefore now desire, to amend the Original Agreement by replacing the Original Agreement in its entirety and restating the terms thereof, as set forth in more detail as described herein. Accordingly, the parties wish to enter into this Agreement to set forth the basis on which the Consultant will perform consulting services for the Company and with respect to certain other matters in connection with such engagement, all as set forth more fully in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties to this Agreement hereby agree as follows:

1. Background. The Background provision set forth above together with the defined term therein, are incorporated herein by reference.

2. Restatement. This Agreement hereby replaces the Original Agreement in its entirety. By execution of this Agreement, each of the Company and the Consultant hereby adopts and ratifies this Agreement, which shall govern the rights and obligations of the parties hereto.

3. Engagement. The Company hereby engages the Consultant as a consultant to the Company, and the Consultant hereby accepts such engagement, on the terms and conditions set forth in this Agreement.

4. Duties.

(a) The Consultant. As a consultant to the Company, the Consultant agrees to perform the services described on Exhibit A attached hereto (the "***Services***"). The Consultant shall report to the Chief Executive Officer of the Company.

(b) The Company. The Company shall, if applicable, provide the Consultant with reasonable access (whether physical or electronic) to the location or systems where the Consultant is to provide the Services. The Company shall also provide the Consultant with any of the Company's materials and such other information that may be reasonably necessary for the Consultant to perform the Services.

---

5. Term. Subject to Section 12 hereof, the term of the Consultant's engagement hereunder shall commence on the Effective Date and shall continue in effect until terminated by either party upon ninety (90) days prior written notice to the other party. Termination of this Agreement shall not affect any payment obligations that may arise prior to the date of such termination. Prior to termination of this Agreement or within ten (10) days thereafter, each of the parties shall return to the other all information and other property owned by or belonging to such other party, including any and all Confidential Information.

6. Termination. Each party has the right to immediately terminate this Agreement if the other party (i) breaches any material provision of this Agreement, (ii) commits any act of fraud, misappropriation or personal dishonesty intended to result in the substantial personal enrichment of the other, (iii) violates any of the confidentiality provisions of Section 8, or (iv) becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of the receiver for its business or assets, or becomes subject to any proceeding under any bankruptcy or insolvency law, whether domestic or foreign, dissolved or liquidated, voluntarily or otherwise. Upon the occurrence of any of the above events, the party undergoing such event shall immediately provide notice of the occurrence of such event to the other party. Notwithstanding anything to the contrary set forth in this Agreement, the Company may also terminate this Agreement with immediate effect if Katie MacFarlane becomes unavailable to provide Services for at least 80 hours per month, unless the Company agrees in writing to accept the services of another strategic marketing professional in lieu thereof.

7. Compensation.

(a) Consulting Fees. In consideration of the Services, the Company shall pay the Consultant those consulting fees set forth on Exhibit A attached hereto. The parties acknowledge and agree that the amount of hours that the Consultant will provide Services is not easily determined, and that the Consultant may perform additional hours of work or that the scope of its engagement may be increased, neither of which is contemplated herein. Accordingly, the parties agree to cooperate in good faith and from time-to-time meet to discuss whether the scope of the engagement has increased or whether the amount of hours being worked by the Consultant has increased, in either case to mutually agree whether an equitable increase to the compensation paid hereunder.

(b) Reimbursement of Expenses. The Consultant shall be reimbursed for out-of-pocket expenses reasonably incurred by the Consultant in performing the Services; provided, however, such expenses shall be pre-approved by the Company, documented and submitted in accordance with the reimbursement policies of the Company in effect from time-to-time.

(c) Entire Compensation. Notwithstanding anything to the contrary set forth herein, the compensation provided for in this Section 7 shall constitute full payment for the Services.

8. Non-Disclosure. Each party (the "***Disclosing Party***") acknowledges and agrees that, during the term of this Agreement, the other party (the "***Receiving Party***") and its

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Representatives (as hereinafter defined) will obtain knowledge of the Disclosing Party's business plans, products, processes, software, know-how, trade secrets, formulas, methods, models, prototypes, discoveries, inventions, materials and reagents, improvements, disclosures, customers, prices, contractor and supplier lists, names and positions of employees and/or other information reasonably considered by the Disclosing Party to be proprietary and/or confidential (collectively, the "***Confidential Information***"). The Receiving Party agrees to keep the Confidential Information secret and confidential and not to publish, disclose or divulge any Confidential Information to any other person, or use any Confidential Information for the Receiving Party's own benefit or to the detriment of the Disclosing Party, or for any purpose other than in connection with the performance of this Agreement, without the prior written consent of the Disclosing Party, whether or not such Confidential Information was discovered or developed by the Receiving Party or any of its Representatives. The Receiving Party also agrees not to divulge, publish or use any proprietary and/or confidential information of others that the Disclosing Party is obligated to maintain in confidence. Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information to its employees, principals, subcontractors, and agents who perform services on behalf of the Disclosing Party in accordance with this Agreement (collectively, the "***Representatives***") and who have a need to know such Confidential Information; provided, however, that each such Representative is (a) advised of the existence of this Agreement and the Receiving Party's obligations hereunder, (b) legally obligated to maintain the confidentiality of such Confidential Information in accordance with the terms of this Agreement, and (c) under at least the same restrictions with respect to the use of the Confidential Information as set forth herein.

9. Inventions and Discoveries.

(a) Disclosure. The Consultant shall promptly and fully disclose to the Company, with all necessary detail, all developments, know-how, discoveries, inventions, improvements, concepts, ideas, formulae, processes and methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written by the Consultant or any of its Representatives (whether or not at the request or upon the suggestion of the Company), solely or jointly with others, during the period of time that the Consultant is engaged to perform Services that (i) relate to the development of a transdermal contraceptive patch or related business activities of the Company or (ii) are otherwise made through the use of the Company's time, facilities, information or materials (collectively, the "***Inventions***").

(b) Assignment and Transfer. The Consultant hereby assigns and transfers, and agrees to cause each of its Representatives to assign and transfer, to the Company all of the Consultant's and such Representative's right, title and interest in and to each of the Inventions, and the Consultant further agrees that it shall, and shall cause its Representatives to, deliver to the Company any and all drawings, notes, specifications and data relating to each of the Inventions, and to sign, acknowledge and deliver all such further papers, including applications for and assignments of copyrights and patents, and all renewals thereof, as may be necessary to obtain copyrights and patents for any and all of the Inventions in any and all jurisdictions and to vest title thereto in the Company and its successors and assigns and to otherwise protect the Company's interests therein.

(c) Power of Attorney. If the Company is unable, after reasonable effort, to secure the signature of the Consultant on any application for patent, copyright, trademark or other analogous registration or other documents regarding any legal protection relating to an Invention, for any reason whatsoever, the Consultant hereby irrevocably designates and appoints each of the President and each Vice President of the Company as the Consultant's agent and attorney-in-fact, to act for and in the Consultant's behalf and stead to execute and file any such application or applications or other documents and to do all other lawfully permitted acts to further the prosecution and issuance of patent, copyright, trademark or other registrations or any other legal protection thereon with respect to an Invention with the same legal force and effect as if executed by the Consultant.

(d) Company Documentation. The Consultant shall, and shall cause its Representatives to, hold in a fiduciary capacity for the benefit of the Company all documentation, programs, data, records, research materials, drawings, manuals, disks, reports, sketches, blueprints, letters, notes, notebooks and all other writings, electronic data, graphics and tangible information and materials of a secret, confidential or proprietary information nature relating to the Company or the Company's business that are, at any time, in the possession or under the control of the Consultant or any of its Representatives. The Consultant agrees that, in connection with any research, development or other services performed for the Company, the Consultant shall, and shall cause its Representatives to, maintain careful, adequate and contemporaneous written records of all Inventions, which records shall be the property of the Company.

10. Injunctive Relief. Each party acknowledges that compliance by the Receiving Party and its Representatives with the agreements in Sections 8 and 9 hereof is necessary to protect the good will and other proprietary interests of the Disclosing Party and that the Receiving Party has been and will be entrusted with highly confidential information regarding the Disclosing Party and its technology and is conversant with the Disclosing Party's affairs, its trade secrets and other proprietary information. The Receiving Party acknowledges that a breach of the Receiving Party's agreements in Sections 8 and 9 hereof may result in irreparable and continuing damage to the Disclosing Party for which there may be no adequate remedy at law; and the Receiving Party agrees that, in the event of any breach of the aforesaid agreements, the Receiving Party and its successors and assigns shall be entitled to injunctive relief and to such other and further relief as may be proper.

11. Certain Representations, Warranties and Agreements of the Consultant. As an inducement to the Company to enter into this Agreement, the Consultant hereby represents and warrants to the Company that: (a) the Consultant is not a party to or otherwise subject to any agreements or restrictions that would prohibit the Consultant from entering into this Agreement and carrying out the transactions contemplated by this Agreement in accordance with the terms hereof, and this Agreement and the transactions contemplated hereby will not infringe or conflict with, and are not inconsistent with, the rights of any other person or entity; (b) neither the Consultant nor any of its Representatives has ever been and is not currently: (i) an individual who has been debarred by the U.S. Food and Drug Administration (the "***FDA***") pursuant to 21 U.S.C. 335a (a) or (b) (a "***Debarred Individual***") from providing services in any capacity to a person that has an approved or pending drug product application, or an employer, employee or partner of a Debarred Individual; or (ii) a corporation, partnership or association that has been

debarred by the FDA pursuant to 21 U.S.C. 335a (a) or (b) (a "***Debarred Entity***") from submitting or assisting in the submission of any abbreviated drug application, or an employee, partner, shareholder, member, subsidiary or affiliate of a Debarred Entity; and (c) the Consultant has no knowledge of any circumstances that may affect the accuracy of the foregoing representations and warranties, including, but not limited to, FDA investigation of, or debarment proceedings against the Consultant or any person or entity performing services or rendering assistance relating to activities taken pursuant to this Agreement, and the Consultant will immediately notify the Company if the Consultant becomes aware of any such circumstances during the term of this Agreement. The Consultant agrees to immediately notify the Company if the Consultant becomes aware of any change in the representations and warranties set forth herein during the term of this Agreement.

12. Survival of Representations, Warranties and Covenants. The provisions of this Agreement that by their terms are intended to endure beyond the term of this Agreement shall survive the termination of this Agreement.

13. Supersedes Other Agreements. This Agreement supersedes and is in lieu of any and all other consulting, employment and compensation arrangements between the Consultant and the Company, but shall not supersede any existing confidentiality, nondisclosure or invention assignment agreements between the Consultant and/or any of its Representatives and the Company.

14. Independent Contractor. The parties intend that the Consultant shall render Services hereunder as an independent contractor, and nothing herein shall be construed to be inconsistent with this relationship or status. Neither the Consultant nor any of its Representatives shall be entitled to any benefits paid by the Company to its employees. The Consultant shall be solely responsible for any tax consequences applicable to the Consultant by reason of this Agreement and the relationship established hereunder, and the Company shall not be responsible for the payment of any federal, state or local taxes or contributions imposed under any employment insurance, social security, income tax or other tax law or regulation with respect to the Consultant's performance of the Services.

15. Option to Hire. If the Company wishes to hire a Representative of the Consultant, the Company shall pay a finder's fee to the Consultant, the amount of which is set forth in greater detail in Exhibit A.

16. Subcontractors. Upon prior written consent from the Company, which may be withheld in the Company's sole discretion, the Consultant may subcontract any portion of the Services to another person or entity (collectively, the "***Subcontractors***"), but the Consultant shall nevertheless remain primarily liable and fully responsible for the performance of the obligations hereunder. In the event the Consultant uses any Subcontractors, the Company shall not, directly or indirectly, attempt to circumvent the Consultant and work directly with any Subcontractors for any portion of the Services or any future services that may be required by the Company. In the event any Subcontractor contacts the Company directly in attempts of soliciting work or otherwise, the Company shall promptly notify the Consultant. This Section 16 shall survive and termination or expiration of this Agreement.

17. Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LOSSES, INCLUDING LOSS OF BUSINESS OR LOSS OF PROFITS, RELATING TO THIS AGREEMENT.

18. Warranty. The Consultant warrants that the Services will be performed in a good and workmanlike manner consistent with industry standards. The Consultant will pass along to the Company any third-party warranties relating to any goods purchased and/or installed hereunder. ALL OTHER WARRANTIES ARE EXCLUDED INCLUDING, WITHOUT LIMITATION, EXPRESS AND IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OF TRADE, OR COURSE OF PERFORMANCE.

19. Force Majeure. Neither party shall be liable or deemed in default of this Agreement for failure, delay, or loss arising directly or indirectly out of Force Majeure events. The term "***Force Majeure***" as used herein refers to war, sabotage, revolution, insurrection, terrorist activity, riot, confiscation, trade embargo, sustained breakdown of the telecommunication links, extreme acts of God such as major earthquakes or tsunamis, or any other similar cause that is completely beyond the reasonable control of the parties.

20. Amendments. Any amendment to this Agreement shall be made in writing and signed by the parties hereto.

21. Enforceability. If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law as if such provision had been originally incorporated herein as so modified or restricted or as if such provision had not been originally incorporated herein, as the case may be.

22. Construction; Venue. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of New Jersey. **EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF NEW JERSEY FOR THE PURPOSES OF**

ANY PROCEEDINGS ARISING OUT OF THIS AGREEMENT.

23. Assignment. The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company. This Agreement and the obligations created hereunder may not be assigned by the Consultant. Any attempted assignment in violation of this Section 23 shall be null and void.

24. Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by certified mail, postage prepaid; by an overnight delivery service, charges prepaid; or by confirmed facsimile; addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by the addressee to the addressor:

If to the Company:

Agile Therapeutics, Inc.
101 Poor Farm Road
Princeton, NJ 08540-1715
Attention: Chief Executive Officer
Facsimile: (609) 683-1880

If to the Consultant, at the address set forth on the signature page, with a copy to:

Nachmias Morris & Alt, P.C.
Attention: Drew Morris
20 Ash Street, Suite 200
Conshohocken, PA 19428

Any party may from time to time change such party's address for the purpose of notices to that party by a similar notice specifying a new address, but no such change shall be deemed to have been given until it is actually received by the party sought to be charged with its contents.

25. Waivers. No claim or right arising out of a breach or default under this Agreement shall be discharged in whole or in part by a waiver of that claim or right unless the waiver is supported by consideration and is in writing and executed by the aggrieved party hereto or such party's duly authorized agent. A waiver by any party hereto of a breach or default by the other party hereto of any provision of this Agreement shall not be deemed a waiver of future compliance therewith, and such provisions shall remain in full force and effect.

26. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one Agreement. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories hereto. An electronic copy of this Agreement shall have the same force and effect as an original copy.

[***THIS SPACE INTENTIONALLY LEFT BLANK***]

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first above written.

AGILE THERAPEUTICS, INC.
101 Poor Farm Road
Princeton, NJ 08540

By: /s/ Al Altomari

Title: CEO

SMARTPHARMA LLC
19 Old Town Square
Fort Collins, CO 80524

By: /s/ Kathy L. MacFarlane

Title: Managing Partner

Taxpayer Identification Number:

EXHIBIT A

Services and Consulting Fees

Services:

The Consultant will provide services to the Company in the areas of commercial and business development. The Consultant will devote time in the performance of the services under this Agreement as follows:

Strategic Marketing and Business Development Services:

The Consultant will provide the services of Katie MacFarlane, PharmD or a professional of equivalent experience as agreed upon by the Company in its sole discretion. The monthly retainer for these services will be billed at a discount to the Consultant's usual hourly rate of $300 per hour as follows:

80 hours per month @ $250 per hour = $20,000 per month

One-Time Retroactive Payment: In addition to the monthly retainer set forth herein, within thirty (30) days following the Effective Date, the Company shall pay the Consultant a one-time payment in the amount of Twenty-Four Thousand Two Hundred Fifty Dollars ($24,250). Such payment shall be in consideration for the amount of services actually provided by the Consultant which was in excess of the amount for which the Consultant was compensated, as follows:

Month	Contracted	Actual	Difference

Jan	80 hours	98.5 hours	18.5 hours
Feb	80 hours	91.5 hours	11.5 hours
Mar	80 hours	94.5 hours	14.5 hours
Apr	80 hours	132.5 hours	52.5 hours
		97 hours Total @ $250/hr = $24,250	

Option to Hire (OTH) Marketing Services:

The Consultant will provide a qualified marketing professional, subject to interview and approval by the Company management, to be located in the Company offices to perform day-to-day activities in the pre-launch, launch, and in-market commercialization for the Company products. The level of services and cost for these services will be dependent upon the number of days per week and are flexible according to the needs of the Company. The schedule is as follows:

Time Period	# days per week	Daily Rate	Monthly Retainer*	Finders Fee if Agile hires OTH Consultant
May-Aug 2012	2	$ 2,000	$ 17,500	$ 60,000
Sep-Dec 2012	3	$ 1,900	$ 24,500	$ 40,000
Jan-Feb 2013	4	$ 1,700	$ 29,500	$ 25,000
upon NDA approval (Mar 2013 forward)	5	$ 1,500	$ 32,500	$ 20,000

*Monthly retainer calculated based upon daily rate and number of days per week, times 52 weeks per year. In the event a full month is not worked (e.g., upon initiation of this Agreement), any portion of a month will be prorated based on the number of work days left in the month divided by the total number of work days in the month, and that percentage will be applied to the monthly retainer

The Consultant shall bill the Company for the services performed and any reimbursable expenses no less than once in each calendar quarter and no more than once in any calendar month. Cash payments shall be made by the Company within thirty (30) days of its receipt such invoices.

AMENDMENT
TO
CONSULTING AGREEMENT

AMENDMENT TO CONSULTING AGREEMENT effective as of February 22, 2013 between Agile Therapeutics, Inc. (the "Company"), a Delaware corporation, and SmartPharma LLC (the "Consultant").

Recitals:

The parties entered into a Consulting Agreement dated as of May 24, 2012 (the "Consulting Agreement"), under which the Company retained the Consultant to provide certain consulting services to the Company. The parties wish to amend the Consulting Agreement, as provided in this Amendment. Capitalized terms used in this Amendment without definition shall have the meanings assigned to them in the Consulting Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Exhibit A of the Consulting Agreement is hereby amended and restated in its entirety effective as of the date of this Amendment to provide as set forth on Amended Exhibit A to this Amendment.

2. The last sentence of Section 6 of the Consulting Agreement is hereby amended and restated to provide as follows:

Notwithstanding anything to the contrary set forth in this Agreement, the Company may also terminate this Agreement with immediate effect if Katie MacFarlane becomes unavailable to provide the Services for the number of hours per month as described in Exhibit A, unless the Company agrees in writing to accept the services of another strategic marketing professional in lieu thereof.

3. The parties acknowledge and agree that all of the terms, provisions, covenants and conditions of the Consulting Agreement shall hereafter continue in full force and effect in accordance with the terms thereof, except for

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first written above.

AGILE THERAPEUTICS, INC.		SMARTPHARMA LLC	
By:	/s/ Al Altomari	By:	/s/ Kathy L. MacFarlane
Title:	President and CEO	Title:	Managing Partner

AMENDED EXHIBIT A

Services and Consulting Fees

Services:

The Consultant will provide services to the Company in the areas of commercial and business development. The Consultant will devote time in the performance of the services under this Agreement as follows:

Strategic Marketing and Business Development Services:

The Consultant will provide the services of Katie MacFarlane, PharmD (KM) and Nicola Crawford (NC), or professionals of equivalent experience as agreed upon by the Company in its sole discretion.

Time Period		Hours/Month	Rate*	Monthly Retainer**
Feb-Mar 2013				
	KM	80	$ 250/hr	$ 20,000
	NC	3 days/wk	$ 1900/day	$ 24,700
	Total			**$ 44,700**
Apr-Jun 2013				
	KM	50	$ 300	$ 15,000

	NC	2 days/wk	$	2,000	$ 17,333
	Total				**$ 32,333**
Jul-Sep 2013					
	KM	30	$	300	$ 9000
	NC	2 days/wk	$	2,000	$ 17,333
	Total				**$ 26,333**
Oct-Dec 2013 and beyond, at the discretion of the Company***					
	KM	16	$	300	$ 4,800
	NC	1 day/wk	$	2,000	$ 8,700
	Total				**$ 13,500**

*Rate for KM is hourly. Rate for NC is daily, except in the "not to fall below" scenario described below.
**Monthly retainer for NC is calculated based on daily rate x number of days per week x 52 weeks per year / 12 months.
*** For periods after December 31, 2013, the Company may reduce the Hours/Month and Monthly Retainer in its discretion upon at least 30 days' prior written notice to the Consultant.

At no time during 2013 will the monthly retainer fall below the following level:

KM	10 hrs/mo	$	3,000
NC	15 hrs/mo	$	3,750
	Total	**$**	**6,750**

The Consultant shall bill the Company for the services performed and any reimbursable expenses no less than once in each calendar quarter and no more than once in any calendar month. Cash payments shall be made by the Company within thirty (30) days of its receipt such invoices.

Option to Hire (OTH) Marketing Services:

The Consultant will provide the services of a qualified marketing professional, Nicola Crawford, subject to interview and approval by the Company management, to be located in the Company offices to perform day-to-day activities in the pre-launch, launch, and in-market commercialization for the Company products. If the Company exercises the Option to Hire, a Finders Fee of $20,000 shall be paid to the Consultant.

SECOND AMENDMENT
TO
CONSULTING AGREEMENT

SECOND AMENDMENT TO CONSULTING AGREEMENT effective as of March 1, 2014 between Agile Therapeutics, Inc. (the "Company"), a Delaware corporation, and SmartPharma LLC (the "Consultant").

Recitals:

The parties entered into a Consulting Agreement dated as of May 24, 2012, as amended effective as of February 22, 2013, (the "Consulting Agreement"), under which the Company retained the Consultant to provide certain consulting services to the Company. The parties wish to amend the Consulting Agreement, as provided in this Amendment. Capitalized terms used in this Amendment without definition shall have the meanings assigned to them in the Consulting Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Exhibit A of the Consulting Agreement is hereby amended and restated in its entirety effective as of the date of this Amendment to provide as set forth on Amended Exhibit A to this Amendment.

2. The last sentence of Section 6 of the Consulting Agreement is hereby deleted.

3. The parties acknowledge that Katie MacFarlane, formerly a Representative of the Consultant, is being retained by the Company as a full-time employee, that the Option to Hire provisions of the Consulting Agreement were never intended to cover Ms. MacFarlane, and that, accordingly, no Option to Hire fee is payable to the Consultant by reason of Ms. MacFarlane's employment by the Company.

4. The parties acknowledge and agree that all of the terms, provisions, covenants and conditions of the Consulting Agreement shall hereafter continue in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed as of the date first written above.

AGILE THERAPEUTICS, INC.		SMARTPHARMA LLC	
By:	/s/ Al Altomari	By:	/s/ Kathryn L. MacFarlane
Title:	CEO	Title:	Managing Partner

AMENDED EXHIBIT A

Services and Consulting Fees

Services:

The Consultant will provide services to the Company in the areas of commercial and business development. The Consultant will devote time in the performance of the services under this Agreement as follows:

Strategic Marketing and Business Development Services:

The Consultant will provide the services of Nicola Crawford, or professionals of equivalent experience who are acceptable to the Company in its sole discretion.

Ms. Crawford will be located in the Company's offices to perform day-to-day activities in the pre-launch, launch, and in-market commercialization for the Company products.

Ms. Crawford shall provide such services one day per week at the rate of $8,700 per month, prorated for any portion of a month during which Ms. Crawford provides services to the Company; provided that the Company may elect, upon written notice to the Consultant, to retain Ms. Crawford for up to three days per week at the following monthly rates:

Two days per week = $17,400 per month
Three days per week = $24,700 per month

The Consultant shall bill the Company for the services actually performed and any reimbursable expenses no less than once in each calendar quarter and no more than once in any calendar month. Cash payments shall be made by the Company within thirty (30) days of its receipt such invoices.

Option to Hire (OTH) Marketing Services:

If the Company exercises the Option to Hire Nicola Crawford, a Finders Fee of $20,000 shall be paid to the Consultant.

Exhibit 10.11

SUMMARY OF BASIC LEASE PROVISIONS

DATE OF LEASE:	November 19, 2010
LANDLORD:	Bunn Farm Associates, LLC
ADDRESS OF LANDLORD:	101 Poor Farm Road Princeton, NJ 08540
TENANT:	Agile Therapeutics, Inc.
ADDRESS OF TENANT:	101 Poor Farm Road Princeton, NJ 08540
GUARANTOR:	N/A
ADDRESS OF GUARANTOR:	N/A
DEMISED PREMISES:	Approximately 5,750 rentable square feet located on the 3rd Floor of Unit A of Herrontown Woods Condominium located at 101 Poor Farm Road, Princeton, New Jersey 08540
LEASE TERM:	Thirty-Six (36) Months, subject to adjustment if the Lease Commencement Date is a date other than December 1, 2010
LEASE COMMENCEMENT DATE:	December 1, 2010, subject to adjustment pursuant to Section 5.5
LEASE EXPIRATION DATE:	November 30, 2013
TOTAL BASE RENT TO BE PAID DURING THE INITIAL LEASE TERM:	$334,697.88
MINIMUM ANNUAL RENT TO BE PAID DURING THE INITIAL LEASE TERM	Year 1 - S100,145.76
(TAKING INTO ACCOUNT FREE RENT AS SET FORTH BELOW):	Year 2 - $108,052.12 Year3 - $126,500.00
MINIMUM MONTHLY RENT TO BE PAID DURING THE INITIAL LEASE TERM:	Year 1 -12/01/10 - 11/30/11 - $9,104.16
	Year 2 - 12/01/11 - 11/30/12 - $9,822.92
	Year 3 -12/01/12 - 11/30/13 - $10,541.67
PERMITTED USE:	Executive, general and administrative offices and no other use.
TOTAL RENTABLE SQUARE FEET OF	Approximately 5,750 square feet

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DEMISED PREMISES:	
SECURITY DEPOSIT:	$18,208.32
BROKERS:	Morford & Dodds Realty
	Cushman & Wakefield of New Jersey, Inc.
BROKERS COMMISSION:	Payable by Landlord pursuant to separate agreements with Brokers
FREE RENT:	Notwithstanding anything contained herein to the contrary, provided that no Event of Default exists on the first day of each month for which Minimum Monthly Rent is to be abated. Tenant shall be entitled to receive an abatement of the installment of Minimum Monthly Rent for the following full months during the Lease Term: (i) December, 2010 (provided that if the Lease Commencement Date occurs on a day other than December 1, 2010 pursuant to Section 5.5, Tenant shall be entitled instead to receive an abatement of Minimum Monthly Rent for the first full calendar month of the Lease Term) and (ii) December, 2011.
RENEWAL OPTION:	Tenant shall have two (2) options to renew this Lease for term of three (3) years each subject to Article 31 of this Lease.
BASE YEAR:	January 1, 2011 - December 31, 2011
TOTAL AREA WITHIN THE UNIT:	approximately 17,313 square feet
TENANT'S PROPORTIONATE SHARE OF COMMON AREA COSTS:	33.21%

LEASE

This Lease ("Lease"), dated the date shown on the Summary of Basic Lease Provisions (the "Summary"), is by and between the landlord named on the Summary ("Landlord") and the tenant named on the Summary ("Tenant").

WITNESSETH

ARTICLE 1 – DEMISED PREMISES

1.1 In consideration of the rents and covenants herein set forth, Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the premises containing the approximate rentable square footage identified on the Summary and depicted on Exhibit A attached hereto (the "Demised Premises") located on the 3rd floor of Unit A of Herrontown Woods Condominium (the "Unit"), which Unit is owned by the Landlord and part of the Building located at 101 Poor Farm Road, Princeton, New Jersey 08540 ("Property"), together with the non-exclusive right to use and enjoy the Common Areas (as hereinafter defined) in common with Landlord, other tenants of the Property, and all others entitled to such use. Tenant shall have the right to enter upon and use the Demised Premises in accordance with the terms and conditions of this Lease on a 365 day per year, 7 day per week, 24 hour per day basis.

ARTICLE 2 – TERM

2.1 The term of this Lease ("Lease Term") shall be as set forth on the Summary and shall, subject to Article 31, include any renewals and extensions of the Lease.

ARTICLE 3 – INITIAL ALTERATIONS; EARLY ENTRY

3.1 Upon obtaining Landlord's initial written consent, which consent shall not be unreasonably conditioned, withheld or delayed. Tenant shall have the right to perform any or all of the following improvements solely at Tenant's own cost prior to Lease Commencement Date or at any time thereafter (collectively, the "Initial Alterations").

3.1.1 Re-paint the entire Demised Premises.
3.1.2 Install new wall coverings in the lobby area of the Demised Premises.
3.1.3 Re-carpet the entire Demised Premises.
3.1.4 Install a "card key" security system to the Demised Premises.
3.1.5 Install new locks on front and rear doors of the Demised Premises.

3.2 Notwithstanding anything to the contrary set forth in this Lease, Tenant and its agents, employees and contractors shall have the right to enter upon the Demised Premises at any time or times from the date of the Lease to the Lease Commencement Date (the "Early

Entry Period") for purposes of making the Demised Premises ready for use by Tenant as of the Lease Commencement Date, including, without limitation, performing any or all of the Initial Alterations and moving in and installing Tenant's phone, data and computer equipment, furniture, fixtures, equipment and other personal property. Tenant's access during the Early Entry Period shall be subject to Tenant's compliance with all of the provisions of this Lease excepting those requiring the payment of Minimum Monthly Rent and Additional Rent.

ARTICLE 4 – RENT

4.1 Landlord reserves and Tenant covenants to pay to Landlord without demand, set-off or, except as otherwise set forth in this Lease, abatement at Landlord's address as set forth on the Summary, or at such other place as may hereafter be designated in writing by Landlord, the rents as set forth in this Article 4.

4.2 During the Lease Term, Tenant covenants to pay the total minimum annual rent ("Minimum Annual Rent") as set forth on the Summary and in the manner prescribed herein. Tenant covenants to pay Minimum Annual Rent in equal monthly installments ("Minimum Monthly Rent") as set forth on the Summary. The Minimum Monthly Rent shall be due and payable on the first day of each month throughout the Lease Term, commencing on the Lease Commencement Date set forth on the Summary. Notwithstanding anything contained herein to the contrary, provided that no Event of Default exists on the first day of each month for which Minimum Monthly Rent is to be abated. Tenant shall be entitled to receive an abatement of the installments of Minimum Monthly Rent for the following months during the Lease Term: (i) December, 2010 (provided that if the Lease Commencement Date occurs on a day other than December 1, 2010 pursuant to Section 5.5. Tenant shall be entitled instead to receive an abatement of Minimum Monthly Rent for the first full calendar month of the Lease Term) and (ii) December, 2011. In the event that the Lease Commencement Date occurs on a day other than the 1st day of a calendar month, the Minimum Monthly Rent for such month shall be pro-rated based on the actual number of days in such month.

4.3 In addition to the Minimum Annual Rent and the Minimum Monthly Rent stipulated herein, Tenant covenants and agrees to pay to Landlord, for each calendar year of the Lease Term, beginning on January 1, 2012 (but pro-rated for any period less than a full calendar year), as additional rent, all other sums and charges which are, pursuant to the terms of this Lease, to be paid by the Tenant ("Additional Rent"). Such Additional Rent shall include Tenant's proportionate share as set forth on the Summary ("Tenant's Proportionate Share") of Common Area Costs (as defined herein) to the extent that Common Area Costs for such calendar year exceed the Common Area Costs for the Base Year (adjusted to reflect one hundred (100%) percent occupancy) (the amount by which Common Area Costs for a calendar year exceeds the Common Area Costs for the Base Year is referred to herein as the "Excess Common Area Costs"). Except as otherwise specifically provided in this Lease, Tenant's estimated share of Additional Rent (as contemplated by Section 4.8) shall be due and payable with the monthly Minimum Monthly Rent.

4.4 "Common Areas" shall mean the portions of the Property used by, usable by or for the benefit of more than one occupant of the Property, including, without limitation (if and to the extent facilities therefore are provided by the Landlord at the time in question) the land and facilities utilized for or as parking lots; access and perimeter roads; truck passageways and loading platforms (which includes any platform that may be used by only one occupant); service corridors; elevators; landscaped and grass areas; exterior lawn sprinklers, walks, stairways, ramps; corridors and stairs; lobbies; directory equipment; storm and sanitary sewers; utility lines, signs and the like and the structure of all buildings and improvements on the Properly and any other structures on the Property and all components and structural parts and systems of same including but not limited to the roof, mechanical systems, loadbearing walls, floors and all other structural components.

4.5 "Common Area Costs" shall mean all actual costs and expenses relating to the operation, maintenance, repair and replacement of the Common Areas, including, but not limited to, without duplication, the cost and expense of the following items relative to the Common Areas:

4.5.1 All reasonable wages, salaries and fees of all employees and agents for time actually devoted to the repair, replacement, maintenance and security of the Demised Premises, the buildings on the Properly and the Property (if provided), including taxes, insurance and all other employee benefits relating thereto;

4.5.2 All supplies and materials used in the management, operation, repair, replacement and maintenance of the Common Areas;

4.5.3 All maintenance and service agreements on equipment for the Common Areas, including, without limitation, window cleaning and repair and heating, air-conditioning and all maintenance, repairs and replacement of such equipment;

4.5.4 All repairs, replacements and general maintenance of the Common Areas;

4.5.5 All service or maintenance contracts with independent contractors for operation, repair, replacement or maintenance;

4.5.6 All garbage removal, cleaning and janitorial services for all exterior and interior Common Areas, as well as the Demised Premises and the other premises in the Property;

4.5.7 All snow and ice removal, salting and\or sanding of sidewalks and parking lots at the Property;

4.5.8 Landlord's insurance for fire and such other risks as are from time to time involved in standard extended coverage endorsements and special broad form coverages, insuring not less than ninety percent (90%) of the full insurable value

of the Property, and improvements and betterments installed by Landlord within same, in addition to rent loss insurance in amounts reasonably acceptable to Landlord;

4.5.9 Reasonable condominium fees and assessments (including Utilities Costs and Real Estate Taxes to the extent that they are included in such condominium fees and assessments), but excluding that portion of such fees or assessments that relate to costs or expenses excluded from Common Area Costs as set forth below;

4.5.10 Management fees;

4.5.11 Pest control;

4.5.12 Utilities Costs (as defined in Section 4.6 below); and

4.5.13 Real Estate Taxes (as defined in Section 4.7 below).

Notwithstanding the foregoing, "Common Area Costs" shall not include any of the following: (i) tenant acquisition and inducement costs, such as lease assumption or takeover costs, moving allowances and design costs, the cost of tenant installations and decorations incurred in connection with demising, preparing or altering space for a tenant or other occupant or any payments in lieu thereof, and leasing commissions, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Property; (ii) the costs of alterations, additions, improvements or replacements which are considered capital expenditures under generally accepted accounting principles, except those capital expenditures (a) which are intended by Landlord in good faith as a labor-saving device or to effect other economies in the operation or maintenance of the Property, (b) which are made to the Property that are required under any governmental law or regulation that was not required under governmental laws and regulations as in force and interpreted by applicable governmental officials as of the Lease Commencement Date specified in Section 1 of the Summary, or (c) which are incurred to replace any Property equipment or component needed to operate the Property at the same quality level as prior to the replacement (collectively, "Permitted Capital Expenditures"); provided, however, that the cost of such Permitted Capital Expenditures shall be amortized (including interest on the unamortized cost) over its useful life as Landlord shall reasonably determine in accordance with generally accepted accounting principles; (iii) repairs or other work occasioned by fire, windstorm or other insured casualty or hazard or condemnation to the extent that Landlord shall receive proceeds of insurance or with respect to the condemnation; (iv) the cost of electrical energy or other utilities furnished directly to Tenant and other tenants and tenantable areas of the Property; (v) salaries and wages (including fringe benefits) of personnel above the grade of Property manager; (vi) rent paid (including, without limitation, percentage rents) and other payments made pursuant to ground leases; (vii) any expense for which Landlord is otherwise compensated or has the right to be compensated through the proceeds of insurance or would have been so compensated had Landlord carried the insurance coverage contemplated by this Lease or is otherwise compensated or has the right to be compensated by any tenant (including Tenant) or any occupant of the Property, and any expenses for repairs or maintenance which are covered by warranties for the

benefit of Landlord; (viii) advertising, promotional and entertainment expenditures, and charitable or political contributions; (ix) depreciation and amortization (except amortization for Permitted Capital Expenditures as set forth above); (x) any fee or expenditure paid to any person or entity which shall control, be under the control of, or be under common control with Landlord, in excess of the amount which would be paid to an unaffiliated third party on a competitive basis; (xi) financing and refinancing costs, including without limitation, interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering or to encumber the Property (or any part thereof); (xii) costs incurred in the correction of latent defects in the Building; (xiii) costs incurred (a) to correct any misrepresentation by Landlord expressly made herein (including, without limitation, a misrepresentation with respect to whether Properly is in compliance, as of the Lease Commencement Date, with applicable laws) or (b) due to (x) the violation by Landlord of the terms and conditions of any lease or other agreement of record applicable to the Property or any other agreement of Landlord or (y) by reason of the negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors, or providers of materials or services or of any other tenant in the Property; (xiv) the cost of performing work or furnishing services to or for any tenant, other than Tenant, at Landlord's expense, to the extent that such work or service is in excess of any work or service provided to Tenant at Landlord's expense; (xv) any costs incurred to comply with applicable laws relating to hazardous substances or materials, and costs incurred with respect to the presence of asbestos at the Property (so long as such asbestos is not brought to the Property by Tenant, its agents, employees or contractors); (xvi) costs, including penalties, fines and associated legal expenses incurred due to the violation by Landlord, its agents or employees, or any other tenant of the Property, of applicable laws; (xvii) Landlord's general corporate overhead and general administrative expenses; (xviii) management fees in excess of four percent (4%) of Minimum Monthly Rent for any calendar year; (xix) interest, fines, penalties, or other late charges payable by Landlord; (xx) costs incurred with respect to a sale of all or any portion of the Property or any interest therein or in any person or entity of whatever owning an interest therein; (xxi) the cost of any judgment, settlement or arbitration award resulting from any liability of Landlord; (xxii) the cost of any service provided by Landlord that is customarily provided by a managing agent and which cost is customarily included in management fees; (xxiii) any costs relating to the conduct by Landlord of Landlord's business (or the business of any affiliate of Landlord) at the Property; (xxiv) subject to Article 32, costs of compliance with the Americans with Disabilities Act, as amended; (xxv) any bad debt loss, rent loss, or reserves for bad debts or rent loss; and (xxvi) any costs excluded from Common Area Costs elsewhere in this Lease (including costs stated to be at Landlord's sole cost), any costs not expressly related to the operation of the Property, or any costs properly attributable to another calendar year, including without limitation, any accelerated payments made at Landlord's election on obligations to the extent that such accelerated payments exceed the amount otherwise payable during the calendar year had Landlord not elected to accelerate payment thereof.

4.6 "Utilities Costs" shall mean the cost and expense of charges for oil, gas, water, electricity for lighting, healing and air-conditioning furnished to the Common Areas and to the Demised Premises, all buildings on the Property and the Property and including any taxes on such utilities, but excluding the cost and expense of charges for utilities paid directly by Tenant or other tenants of the Property to the provider thereof.

4.7 "Real Estate Taxes" shall mean the aggregate of the real estate taxes, assessments and other governmental charges and levies, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever (including without limitation assessments for public improvements or benefits and interest on unpaid installments thereof) which may be levied, assessed or imposed or become liens upon or arise out the use, occupancy or possession of the land, buildings, leasehold improvements, betterments, and other permanent improvements within or to the Demised Premises or the Unit (including Landlord's share of the Property allocated to the Unit). The term "Real Estate Taxes" shall not, however, include inheritance, estate, succession, transfer, gift, franchise, corporation income or profit tax imposed upon Landlord.

4.8 Landlord shall reasonably estimate Tenant's Proportionate Share of Excess Common Area Costs for the Demised Premises and, commencing on January 1, 2012, Tenant shall pay such estimated Tenant's Proportionate Share of Excess Common Area Costs as Additional Rent to Landlord in advance in twelve (12) equal monthly installments during the year based upon said estimate. Within ninety (90) days following the end of each calendar year, Landlord shall prepare and deliver to Tenant a statement of the actual Common Area Costs for that year and the estimated payments made by Tenant. Within thirty (30) days following Tenant's receipt of such statement, an adjusting payment or credit shall be made for underpayment or overpayment of Tenant's Proportionate Share of Excess Common Area Costs, as the case may be. Tenant shall have the right to audit or review the books and records of Landlord to confirm the Common Area Costs. Landlord shall make such books and records accessible to Tenant for review. In the event that Tenant's audit or review reveals that Landlord has overstated Common Area Costs by ten percent (10%) or more, Landlord shall reimburse Tenant for all costs and expenses incurred by Tenant in connection with such audit or review. The parties rights and obligations under this Section 4.8 shall survive the expiration or termination of this Lease.

4.9 The Additional Rent due under the terms and conditions of this Article 4 shall be payable by Tenant without any setoff or, except as other set forth in this Lease, abatement.

4.10 In the event Tenant shall fail to pay Minimum Monthly Rent and/or Additional Rent for more than five (5) business days after the date when due, then in addition to the Landlord's rights as contained herein, interest shall accrue thereon at the rate of five percent (5%) per annum thereafter until the date of full payment.

4.11 Notwithstanding anything in this Lease to the contrary, items of Common Area Costs which are not exclusively incurred with respect to the Unit by reason of the nature of the items or otherwise shall be equitably allocated by Landlord among the properties to which the same relate or for whose benefit the same have been incurred, and only the portion allocated to the Unit and Landlord's share of the Property allocated to the Unit shall be included in calculating Common Area Costs hereunder.

ARTICLE 5 – USE OF PREMISES

5.1 Tenant covenants and agrees to use and occupy the entire Demised Premises solely for the Permitted Use set forth on the Summary in compliance with all applicable laws, ordinances, requirements and regulations of any governmental authority having jurisdiction and for no other use.

5.2 Tenant shall not place any obstructions, refuse or debris of any kind which tend to obstruct the sidewalk, hallway or stairway areas in or around the Demised Premises or the Property. Subject to Landlord's obligation to provide janitorial services and trash removal, Tenant shall keep the Demised Premises in neat and clean condition.

5.3 Tenant shall not suffer or permit the Demised Premises, or any part thereof, to be used in any manner which would in any way: (i) violate any of the provisions of any grant, lease or mortgage to which this Lease is subordinate after receipt of written notice of such provisions, provided that any such provision is not inconsistent with the rights acquired by Tenant under this Lease and further provided that compliance does not impose any monetary obligations upon Tenant; (ii) violate any laws or requirements of public authorities; (iii) make void or voidable any fire liability insurance policy then in force with respect to the Demised Premises or the Property; (iv) increase the costs of or make unobtainable or extraordinarily difficult to obtain from reputable insurance companies authorized to do business in New Jersey at standard rates any fire insurance with extended coverage, or liability, or boiler or other insurance which may be purchased or maintained by Landlord; (v) cause physical damage to the Demised Premises, the Property or any part thereof, or constitute a nuisance therein; (vi) impair the appearance of the Demised Premises or the Property; (vii) discharge objectionable fumes, vapors or odors; or (viii) unreasonably impair or interfere with any of the services or the proper and economic cleaning, heating, air conditioning, ventilating or other servicing to the Demised Premises or unreasonably impair or interfere with or cause or permit any discomfort, annoyance or inconvenience to Landlord or any of the other tenants of the Property.

5.4 Except for the procurement of the Certificate of Continued Occupancy to be issued in connection with Tenant's initial occupancy of the Demised Premises (which is addressed in Section 5.5 of this Lease), if any license, approval or permit, governmental or otherwise, including a Certificate of Occupancy or Board of Health approval, shall be required for the proper and lawful conduct of Tenant's business in the Demised Premises, or any part thereof, then Tenant, at its expense, shall duly procure and thereafter maintain such license, approval or permit and Tenant shall at all times comply with the terms and conditions of each such license, approval or permit. Notwithstanding the foregoing, any Certificate of Occupancy required as a result of alterations, improvements, additions or other work done at the Property by or on behalf of Landlord shall be obtained by Landlord at its sole cost and expense.

5.5 Landlord, at its sole cost and expense, shall procure and deliver to Tenant a Certificate of Continued Occupancy with respect to Tenant's initial occupancy of the Demised Premises. In the event that Landlord fails to deliver to Tenant such Certificate of

Continued Occupancy by November 19, 2010, the Lease Commencement Date shall be postpone for each day after November 19, 2010 that Landlord fails to deliver to Tenant such Certificate of Continued Occupancy (so that if, by way of example, the Landlord delivers the Certificate of Continued Occupancy to Tenant on November 29, 2010, the Lease Commencement Date shall be postponed by ten (10) days, so that the Lease Commencement Date is December 10, 2010). Notwithstanding anything in this Lease to the contrary, in the event that Landlord fails to such Certificate of Continued Occupancy by November 30, 2010, Tenant may thereafter, at its option, terminate this Lease by written notice to Landlord at any time prior to such time that Landlord delivers to Tenant the Certificate of Continued Occupancy, and in such event, Landlord shall return the Security Deposit to Tenant with two (2) business days of Landlord's receipt of such notice.

ARTICLE 6 – RULES AND REGULATIONS

6.1 Landlord shall have the right to establish and amend, from time to time, reasonable rules and regulations, applicable to all tenants, governing the use of the Property and deemed necessary by Landlord for the general safety, care, convenience and cleanliness of the Property. Landlord agrees that the rules and regulations shall not be enforced so as to discriminate against Tenant or unreasonably interfere with the Permitted Use of the Demised Premises and that the rules and regulations shall be enforced uniformly against all tenants in the Building. Tenant shall not be obligated to comply with any rules and regulations or amendments thereto until Tenant has received a written notification of such rules and regulations from Landlord.

ARTICLE 7 – TENANT MAINTENANCE AND REPAIRS

7.1 During the Lease Term, Tenant shall, at Tenant's own cost and expense, keep and maintain the interior of the Demised Premises (excluding plumbing, utility lines and HVAC equipment) in substantially the same condition and repair delivered to Tenant, including repair and restoration of any damage to the Demised Premises (damage from casualty not caused by Tenant excepted) during the Lease Term or caused by Tenant's removal of Tenant's property at the end of the Lease Term.

ARTICLE 8 – UTILITIES/SERVICES OF LANDLORD

8.1 The Landlord shall provide or cause to be provided (either directly or through the Herrontown Woods Condominium Association) the following utilities and services to the Demised Premises sufficient for Tenant's Permitted Use of the Demised Premises: air conditioning, ventilation, hot and cold water, janitorial service and elevator service.

8.2 Landlord shall operate, repair, replace, equip and maintain, or shall cause to be operated, repaired, replaced, equipped and maintained, the Common Areas and the Property in good order and condition and shall have the exclusive right and authority to employ and discharge personnel with respect thereto. Without limiting the foregoing, (A) Landlord shall keep, or cause to be kept, in good order and repair (making replacements, if

necessary), exterior foundations and walls of the buildings at the Property, roof, floors, sewage systems, utility lines, down spouts, gutters, loading docks and platforms, parking lot (including snow and ice removal), lawns, driveways, elevators, plumbing, heating, ventilation, electrical, air conditioning and sprinkler systems, all interior portions of the building (excluding interior portions of the Demised Premises), and (B) Landlord may (i) use the Common Areas for promotions, exhibits, displays, outdoor seating, food facilities and any other use; (ii) grant the right to conduct sales in the Common Areas; (iii) erect, remove and lease kiosks, planters, pools, sculptures, buildings and other improvements within the Common Areas; (iv) enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the Common Areas; (v) construct, maintain, operate, replace and remove lighting, equipment, and signs on all or any part of the Common Areas; (vi) restrict or permit parking to tenants and non tenants alike (provided that at all times during the Lease Term, Tenant shall have the right to use, at no additional cost or expense, not less than 4.5 parking spaces per 1,000 rentable square feet of the Demised Premises); (vii) discourage non-customer parking; and (viii) temporarily close all or any portion of the Common Areas (provided that such closure shall not unreasonably restrict or interfere with Tenant's use of or access to the Demised Premises).

8.3 Subject to Section 8.4, Landlord does not warrant any services under this Lease and shall not be liable to any persons whatsoever, if any slow-down, interruption, damage, injury or stoppage of any service provided to Tenant shall affect Tenant, including any water damage or damage caused by any other tenant, nor shall same cause any abatement of Minimum Monthly Rent or Additional Rent payable hereunder or in any manner or for any purpose relieve Tenant from any of its obligations hereunder, and in no event shall Landlord be liable for damage to persons or property or be in default hereunder as a result of such slow-down, interruption, damage injury or stoppage.

8.4 Notwithstanding anything in this Lease to the contrary, if the Demised Premises or a substantial portion thereof are rendered untenantable for a period of three (3) days due to Landlord's failure to provide (or cause to be provided) any service or utilities as contemplated by this Lease, or repairs, maintenance or replacements made, to be made or caused to be made by Landlord, Tenant shall thereafter be entitled to a day-to-day abatement in Monthly Minimum Rent and Additional Rent until the Demised Premises are again tenantable.

ARTICLE 9 – TENANT CHANGES; TENANT PROPERTY.

9.1 Tenant shall not place any signs or make installations, additions or improvements (hereinafter "Tenant Changes") in or to the Demised Premises without in each instance obtaining the Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. All Tenant Changes shall be done at Tenant's sole cost and expense. All Tenant Changes become the property of Landlord, and shall remain upon, and be surrendered with the Demised Premises as part thereof at the end of the Lease Term or any extension thereof if desired by Landlord, otherwise, same shall be removed by Tenant and all resulting damage properly restored by Tenant prior to

expiration of the Lease Term. Tenant shall also furnish Landlord with outline plans and specifications for Tenant Changes prior to the performance of the work.

9.2 Tenant agrees that any Tenant Changes shall be done in a good and workmanlike manner and in conformity with all laws, ordinances and regulations of all public authorities having jurisdiction.

9.3 Tenant agrees that it will procure all necessary permits before making any Tenant Changes. Tenant agrees to pay promptly when due the entire cost of any work done by or for Tenant upon the Demised Premises so that the Demised Premises shall at all times be free of liens for labor or material furnished to Tenant. Tenant agrees to save and indemnify Landlord from any and all injury, loss, claims, or damages to any person or property occasioned by or in connection with any Tenant Changes.

9.4 Any such Tenant Changes shall be performed in such manner as not to interfere unreasonably with the occupancy of any other tenant of Landlord. Prior to the commencement of Tenant Changes, Tenant shall obtain and maintain at its expense so called "Builders Risk" Insurance. All such insurance shall conform to the requirements required herein and Tenant shall submit certificates evidencing such coverages to Landlord.

ARTICLE 10 – INSURANCE

10.1 Tenant covenants to provide at Tenant's cost and expense on or before the Lease Commencement Date, and to keep in full force and effect during the entire Lease Term and so long thereafter as Tenant, or anyone claiming by, through or under Tenant, shall occupy the Demised Premises, insurance coverage as follows:

(a) Comprehensive Public Liability insurance with contractual liability endorsements with respect to the Demised Premises and the business of Tenant in which Tenant shall be adequately covered under limits of liability of not less than $1,000,000.00 for injury or death to any one person, and $1,000,000.00 for injury or death to more than one person and $500,000.00 with respect to property damage and structural damage to the Demised Premises or the Property.

(b) Fire and Extended Coverage, Vandalism, Malicious Mischief and Special Extended Coverage Insurance in an amount adequate to cover the cost of replacement of all personal property, decorations, trade fixtures, furnishings, equipment in the Demised Premises and all contents therein. Landlord shall not be liable for any damage to such property of Tenant by fire or other peril includable in the coverage afforded by the standard form of fire insurance policy with extended coverage endorsement attached (whether or not such Coverage is in effect), no matter how caused, it being understood that the Tenant will look solely to its insurer for reimbursement.

(c) Worker's Compensation Insurance as required by law.

Such insurance shall name Landlord as a loss payee and additional insured. Within thirty (30) days of demand. Tenant shall furnish Landlord, at Tenant's expense, with such increased amount of existing insurance, and such other insurance coverage in such limits, as Landlord may reasonably require and such other hazard insurance as the nature and condition of the Demised Premises may require in the reasonable judgment of Landlord, to afford Tenant and Landlord adequate protection for said risks.

10.2 All of the aforesaid insurance shall be written by one or more responsible insurance companies reasonably satisfactory to Landlord and in form reasonably satisfactory to Landlord and shall contain endorsements substantially as follows:

"It is understood and agreed that the insurer will give to [Landlord's name and address], or any successor landlord ten (10) days written notice of any material change in or cancellation of this policy."

10.3 Tenant shall deliver to Landlord prior to the Lease Commencement Date, and thereafter at least fifteen (15) days prior to the expiration of such policy, proof of said policy, it being the intention of the parties hereto that the insurance required under the terms hereof shall be continuous during the entire Lease Term and any other period of time during which, pursuant to the terms hereof, said insurance is required.

ARTICLE 11 – INDEMNIFICATION

11.1 Tenant shall defend, save and hold Landlord harmless from and against all liability, claims, and demands on account of personal injuries (including, without limitation of the foregoing. Worker's Compensation and death claims) or property loss or damage of any kind whatsoever which arise out of or are in any manner connected with Tenant's occupancy and/or use of the Demised Premises or the Property, whether the result from the negligent act or failure to act or perform any duty or obligation required herein of Tenant, subtenants or their officers, employees, agents, contractors, licensees, guests, invitees, visitors or otherwise; provided the foregoing shall not apply to the extent resulting from the gross negligence or willful misconduct of Landlord, its agents, employees or contractors. Landlord will use its best efforts to so notify Tenant of any such claims but any failure to so notify will not constitute a waiver of any Landlord's rights herein.

11.2 Landlord shall defend, save and hold Tenant harmless from and against all liability, claims, and demands on account of personal injuries (including, without limitation of the foregoing, Worker's Compensation and death claims) or property loss or damage of any kind whatsoever which arise out of or are in any manner connected with (i) the gross negligence or willful misconduct of Landlord, its agents, employees or contractors, or (ii) Landlord's operation, maintenance, repair, occupancy and/or use of the Common Areas, whether the result from the negligent act or failure to act or perform any duty or obligation required herein of Landlord or its officers, employees, agents, contractors, licensees, guests, invitees, visitors or otherwise; provided the foregoing shall not apply to

the extent resulting from the gross negligence or willful misconduct of Tenant, its agents, employees or contractors. Tenant will use its best efforts to so notify Landlord of any such claims but any failure to so notify will not constitute a waiver of any Tenant's rights herein.

ARTICLE 12 – FIRE AND CASUALTY

12.1 In the event of the destruction of the Property or the Demised Premises by fire or other casualty during the Lease Term, then in either event, unless such damage can, in the reasonable opinion of Landlord, be repaired within one hundred twenty (120) days after the occurrence, this Lease and the term hereby created, shall at either's party's option, to be exercised within thirty (30) days after notice from Landlord as hereinafter provided cease from the date of such damage or destruction and Tenant shall upon written notice from Landlord promptly surrender the Demised Premises to Landlord and Tenant shall pay rent within said term only to the time of such damage or destruction. If, however, in Landlord's reasonable opinion, the damage as aforesaid can be repaired within one hundred twenty (120) days from the occurrence thereof, Landlord shall (unless Landlord shall elect not to repair or rebuild, as hereinafter provided) repair the Demised Premises with all reasonable speed, this Lease shall continue in full force and effect, subject to this Section 12.1. Landlord shall deliver notice to Tenant of the estimated time required to repair and restore the Demised Premises and/or the Property within thirty (30) days of the date of casualty. Notwithstanding anything in this Section 12.1 to the contrary, in the event that the repair or restoration is not completed for any reason within one hundred fifty (150) days of the date of the casualty, Tenant may terminate this Lease by written notice to Landlord delivered at any time during the sixty (60) days period commencing on the 151st day after the date of the casualty. All rent otherwise payable by Tenant hereunder shall be equitably abated or adjusted from the date of the casualty to the date that repair and restoration is completed.

ARTICLE 13 – EMINENT DOMAIN

13.1 In the event that the entire or substantially the entire Demised Premises shall be taken for any public or quasi-public use or should be taken by right of eminent domain or any other right, or should be sold to the condemning authority in lieu of condemnation, then this Lease shall terminate as of the date when the Demised Premises is taken by the condemning authority. In the event that a portion of the Demised Premises shall be taken or condemned which does not render the remaining portion of the Demised Premises untenantable, in the reasonable opinion of Tenant, this Lease shall terminate only as to the part of the Demised Premises so taken, and the Minimum Annual Rent shall be reduced proportionately by the square footage of the Demised Premises taken and Tenant's Proportionate Share shall be redetermined. In the event of such taking and termination, Tenant may undertake any action against the condemning authority to which it may be entitled.

ARTICLE 14 – ASSIGNMENT AND SUBLETTING.

14.1 Tenant shall have the right to assign or sublet this Lease during the Lease Term upon obtaining the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. In the event that Landlord consents to such an assignment, Tenant shall pay Landlord's legal fees (not to exceed $1000) incurred in reviewing the request for the assignment or sublease. Notwithstanding the foregoing, no approval by Landlord shall be required for a sublease or assignment of this Lease to a parent, subsidiary or affiliated company of Tenant. Landlord shall not have the right to recapture space that Tenant proposes to assign or sublease, but Landlord will be notified, in writing, prior to the public marketing of space for sublease.

ARTICLE 15 – ENTRY BY LANDLORD

15.1 Landlord, or its duly authorized employees and agents, may enter the Demised Premises at reasonable business hours upon reasonable prior notice (except in the event of an emergency in which case Landlord, or its agents, may enter at anytime). Provided that Landlord does not unreasonably disrupt Tenant's business operations, Landlord, or its duly authorized employees and agents, shall have the right of access, during or after working hours, through the Demised Premises for the purpose of inspecting the Demised Premises, making repairs or improvements to the Demised Premises or the Property, supplying services to Tenant or others, and showing the Demised Premises for sale, lease or to contractors, lenders, insurers or others, or for undertaking such other action as may be reasonably desired by the Landlord.

ARTICLE 16 – ENVIRONMENTAL LAW COMPLIANCE

16.1 During the Lease Term, Tenant shall, at Tenant's own expense, and to the extent applicable to Tenant and its use of the Demised Premises, comply with all Federal or State laws, rules and regulations pertaining to the environment, hazardous substances or hazardous wastes as defined by law and the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. and the regulations promulgated thereunder and any successor legislation and regulations ("ISRA").

16.2 Tenant shall indemnify, defend and hold Landlord harmless from and against all claims, fines, suits, procedures, actions, proceedings, liabilities, losses, damages, penalties and costs, foreseen and unforeseen, including reasonable counsel, engineering and other professional or expert fees which Landlord may incur by reason of Tenant's action or non-action with regard to Tenant's obligations under this Article and spills or discharges of hazardous substances or wastes by Tenant at the Demised Premises during Tenant's occupancy of same and Tenant's failure to provide all information required to be provided by Tenant with respect to the Demised Premises by any environmental law or NJDEP. This Article shall survive the expiration or earlier termination of this Lease. Tenant's failure to abide by the terms of this Article shall be restrainable by injunction.

16.3 To the best of Landlord's knowledge, (i) the Property fully complies with governmental environmental regulations, and (ii) there arc no asbestos or asbestos-containing materials located at the Property. Landlord will comply with all governmental laws and regulations

affecting the Property at Landlord's sole cost and expense. Landlord shall indemnify, defend and hold Tenant harmless from and against all claims, fines, suits, procedures, actions, proceedings, liabilities, losses, damages, penalties and costs, foreseen and unforeseen, including reasonable counsel, engineering and other professional or expert fees which Landlord may incur by reason of any hazardous substances or wastes or violation of environmental laws with respect to the Demised Premises or the Property by Landlord (or its affiliates) or existing prior to the Lease Commencement Date. This Article shall survive the expiration or earlier termination of this Lease.

16.4 Notwithstanding anything to the contrary set forth in this Lease, Tenant shall have no liability or obligation pursuant to this Lease with regard to any hazardous substances or wastes or violations of environmental laws existing at, on or under the Demised Premises or the Property prior to the Lease Commencement Date.

ARTICLE 17 – SURRENDER

17.1 On the last day of the Lease Term demised, or the sooner termination thereof, Tenant shall peaceably surrender the Demised Premises and all keys and safe and alarm combinations to the Demised Premises in substantially the same condition and repair delivered to Tenant, reasonable wear and tear and damage from casualty not caused by Tenant or condemnation excepted. In no event shall Tenant be obligated to remove or restore the Initial Alterations so as to restore the Demised Premises to the condition existing prior to completion of the Initial Alterations. On or before the last day of the Lease Term or the sooner termination thereof, Tenant shall, at its expense, remove its property, furniture, equipment, furnishings, trade fixtures and signs from the Demised Premises, and, subject to Section 17.3, any property not removed shall be deemed abandoned and may be removed, retained and disposed of by Landlord and the expense of such removal and disposal shall be paid to Landlord by Tenant without any setoff for the salvage value of goods so removed.

17.2 If the Demised Premises be not so surrendered at the end of the Lease Term or the sooner termination thereof, but subject to Section 17.3, Tenant shall pay to Landlord as liquidated damages (i) 125% of the Minimum Monthly Rent then due hereunder, together with (ii) Additional Rent and other sums due hereunder, for the entire holdover period. Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Demised Premises, including, without limitation, claims made by any succeeding tenant founded on such delay. Tenant's covenants hereunder shall survive the expiration or termination of this Lease.

17.3 Notwithstanding anything in Section 17.2 to the contrary, Tenant may occupy the Demised Premises without the consent of the Landlord after the expiration of the Lease Term for a period not to exceed three (3) months, said occupancy to be on the same terms and conditions set forth in this Lease (including payment of Minimum Monthly Rent in effect at the expiration of the Lease Term). Said occupancy and payment shall be construed as an extension of this Lease for a term expiring on the last day of the month next following the month in which the Lease expired and occupation thereafter shall

operate to extend the Lease Term for but one (1) month at a time unless other terms of such extension are made in writing and signed by the parties hereto. In such event, if Tenant desires to terminate such occupancy at the end of any month after the termination of this Lease, when no renewal term or subsequent lease be in effect, Tenant shall give Landlord at least one (1) full month's written notice of termination. Failure on the part of the Tenant to give such notice shall obligate it to pay all rents for the additional calendar month following the month in which the Tenant gave notice. Should Tenant fail to vacate the Demised Premises within three (3) months following expiration of the Lease Term, Minimum Monthly Rent shall automatically increase to one hundred twenty-five (125%) percent of the Minimum Monthly Rent previously paid by Tenant as set forth in Section 17.2.

17.4 Not later than thirty (30) days prior to the Lease Expiration Date (or any earlier date as of which this Lease is to terminate), representatives of Landlord and Tenant jointly shall inspect the Demised Premises so as to review the condition of the Demised Premises and determine what repairs, if any, Tenant will be required to make to the Demised Premises on or before the Lease Expiration Date (or such earlier date as of which this Lease shall terminate) so as to comply with the obligations of Tenant set forth in this Lease. Landlord shall deliver to Tenant a listing of such repairs, if any, required to be so made by Tenant within ten (10) days of such inspection. Nothing set forth in this preceding terms and conditions of this Section 17.4 shall be construed to require Tenant to make any repairs to the Demised Premises that Tenant is not otherwise required to make under the terms and conditions of this Lease.

ARTICLE 18 – DEFAULT

18.1 Each of the following shall, at Landlord's option, constitute an "Event of Default" by Tenant under this Lease:

18.1.1 Tenant's default in the payment of any rents provided for herein or of any installment or part thereof, or in the payment of any other sum or any part thereof which becomes due from Tenant to Landlord hereunder, and such failure continues for ten (10) days; or

18.1.2 Tenant's violation of any of the covenants, agreements and conditions herein provided, and such violation is not cured within thirty (30) days after written notice from Landlord; provided, however, that if the violation is of such a nature as to be subject to cure but not within said 30-day period. Tenant shall have such additional reasonable period of time to effect such cure so long as Tenant has promptly commenced efforts to cure within such initial thirty (30) day period and thereafter diligently prosecutes same to completion; or

18.1.3 Tenant shall make an assignment for the benefit of its creditors; or if Tenant shall file a voluntary petition in bankruptcy; or if Tenant shall be adjudicated a bankrupt or insolvent; or if the affairs of Tenant shall be taken over by or pursuant to an order of any court or of any other officer or governmental authority pursuant

to any federal, state or other statute or law; or if Tenant shall admit in writing its inability to pay debts generally as they become due; or if Tenant shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statue or law; or if Tenant shall seek or consent to or acquiesce in the appointment of any trustee, receiver of liquidator or if, within sixty (60) days after the commencement of any proceedings against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or future federal bankruptcy act or any other present or future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceedings shall have not been dismissed.

Upon the occurrence and during the continuance of an Event of Default, Landlord may at its option, terminate this Lease and all rights of Tenant herein and/or enter the Demised Premises as the agent of Tenant in compliance with applicable law, all without being liable for any prosecution liability or damage therefor, and relet the Demised Premises and receive the rent therefor (as a credit to and on account rent due from Tenant hereunder in the event that Landlord has not terminated this Lease) upon such terms as shall be reasonably satisfactory to Landlord and all rights of Tenant to repossess the Demised Premises under this Lease shall cease and end upon such termination or entry. For the purpose of reletting, Landlord shall be authorized to make such repairs or alterations in or to the Demised Premises as may be reasonably necessary to place the same in the same order and condition Tenant is required to maintain pursuant to this Lease. Tenant shall be liable for and hereby agrees to pay to Landlord the cost of such repairs or alterations and all reasonable third-party expenses of such reletting. If the sum realized or to be realized from the reletting is insufficient to satisfy the rent provided for in this Lease, and Landlord has not terminated this Lease, Landlord may require Tenant to pay such deficiency month by month (or at any greater intervals).

18.2 Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease, any other agreement between the Tenant and Landlord, or now or hereafter existing at law or in equity or by statute or otherwise.

18.3 If the Landlord in its sole discretion determines to utilize the services of any of its attorneys (including in-house counsel) for any purpose in enforcing Landlord's rights under this Lease following the occurrence of an Event of Default, the Tenant upon demand shall pay the Landlord's reasonable attorney's fees and court and other collection and litigation costs as Additional Rent.

ARTICLE 19 – UTILITY CHARGES/JANITORIAL

19.1 Landlord represents that the Demised Premises are separately metered for purposes of measuring electricity consumption. Tenant shall arrange for and pay for all electricity

used in or by the Demised Premises which electrical service shall be billed directly to Tenant by the electrical provider selected by Landlord in its reasonable discretion. Tenant shall not abuse or unreasonably incur charges of utility services or janitorial services. No electric current or gas lines, utility companies or janitorial services shall be used except those which are approved by Landlord (such approval not to be unreasonably withheld, conditioned or delayed), nor shall electric or other wires be brought to additional outlets or electrical fixtures installed within the Demised Premises except upon the written consent and approval of the Landlord (such approval not to be unreasonably withheld, conditioned or delayed). Tenant will not overload any of the circuits within the Demised Premises and shall have no right to use any electric current outside the Demised Premises. Subject to Landlord's obligation to provide trash removal for the Demised Premises, Tenant shall comply with all applicable governmental laws and regulations as well as Landlord's reasonable rules pertaining to recycling and disposing of garbage and waste from the Demised Premises.

ARTICLE 20 – QUIET ENJOYMENT

20.1 Landlord covenants that it has the right to make this Lease for the Lease Term, and so long as no Event of Default exists, Tenant, subject to the terms and provisions of this Lease and to all mortgages and underlying leases of record to which this Lease may be or may become subordinate, shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Demised Premises during the Lease Term.

ARTICLE 21 – SUBORDINATION

21.1 This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate in all respects to all present and future mortgages, ground leases, overriding leases and underlying leases of the Demised Premises or the Property. This Section shall be self-operative and no further instrument, in recordable form shall be required. Notwithstanding the foregoing, Landlord, the lessor of any such lease or the holder of any mortgage or any of their respective successors in interest may require evidence of such subordination, and Tenant shall from time to time execute and deliver within ten (10) days after written request such documents as Landlord may reasonably require to evidence such subordination. Landlord shall use commercially reasonable efforts to endeavor to cause its existing mortgagee to execute, within ninety (90) days of the Lease Commencement Date, and to endeavor to cause any future mortgagee to execute, a non-disturbance agreement in favor of Tenant providing that the holder of such mortgage or lease shall not disturb Tenant's possession under this Lease in the event of foreclosure, transfer in lieu thereof, or other enforcement proceedings so long as no Event of Default exists hereunder.

ARTICLE 22 – CONSTRUCTION-MECHANICS, LIENS

22.1 Tenant shall not permit any construction or mechanic's lien to be filed against the Demised Premises by reason of work, labor, services or materials performed or furnished to Tenant or to anyone holding the Demised Premises through or under Tenant. If any

such construction or mechanic's lien shall at any time be filed against the Demised Premises and is not released by payment, bonding or otherwise within thirty (30) days after Tenant is notified of such filing, Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due or by bonding or other proceeding deemed appropriate by Landlord, and the amount so paid by Landlord and/or costs and expenses, including reasonable attorney's fees, incurred by Landlord in procuring the discharge of such lien, shall be deemed to be Additional Rent.

ARTICLE 23 – NOTICES

23.1 Any notice required or permitted under this Lease shall, unless otherwise specifically provided for herein, be deemed sufficiently given or served if sent by registered or certified mail, return receipt requested, postage prepaid, (i) sent by registered or certified mail, return receipt requested, postage prepaid, or (ii) sent via nationally recognized overnight carrier, in each case addressed to Tenant at the address set forth on page one of this Lease and to Landlord at the address then fixed for the payment of rent. Any such notice shall be deemed given three (3) days after the date of mailing by registered or certified mail or on the next business day after deposit with overnight courier. Either party may by fifteen (15) days notice at any time designate a different address to which notices shall subsequently be mailed.

ARTICLE 24 – WAIVER OF TRIAL BY JURY

24.1 To the extent permitted by law, Landlord and Tenant hereby waive trial by jury in any action brought by either against the other.

ARTICLE 25 – NO OTHER WAIVER OR MODIFICATIONS

25.1 The failure of either party to insist in any one or more instances upon the strict performance of any one or more of the agreements, terms, covenants, conditions or obligations of this Lease, or to exercise any right, remedy or election herein contained, shall not be construed as a waiver or relinquishment of the right to enforce said agreements, terms, covenants, conditions or obligations in the future.

ARTICLE 26 – CURING DEFAULTS

26.1 If an Event of Default by Tenant exists, Landlord without thereby waiving such Event of Default, may (but shall not be obligated to) perform the same for the account of and at the expense of Tenant. If such charges are not paid by Tenant when due, the amounts thereof shall immediately become due and payable as Additional Rent under this Lease together with interest thereon at the rate of five percent (5%) per annum from the date due until the date paid.

26.2 If Landlord shall default in the performance of any covenant, agreement, term, provision or condition herein contained, and such default continues for a period of thirty (30) days following written notice from Tenant (provided, however, that if the default is of such a

nature as to be subject to cure but not within said 30-day period, Landlord shall have such additional reasonable period of time to effect such cure so long as Landlord has promptly commenced efforts to cure within such initial thirty (30) day period and thereafter diligently prosecutes same to completion), Tenant, without thereby waiving such default or any other

rights and remedies available at law, in equity or otherwise for such default, may (but shall not be obligated to) perform the same for the account of and at the expense of Landlord. The amounts thereof shall immediately become due and payable to Tenant, together with interest thereon at the rate of five percent (5%) per annum from the date due until the date paid.

ARTICLE 27 – ESTOPPEL CERTIFICATE

27.1 Tenant agrees, at any time and from time, as requested by Landlord, upon not less than ten (10) days prior notice, to execute and deliver, at no cost or expense to Landlord, a statement certifying that this Lease is Unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), certifying the dates to which the Minimum Monthly Rent and Additional Rent have been paid, stating whether or not, to the actual knowledge of the Tenant, the Landlord is in default in performance of any of its obligations under this Lease, and if so, specifying each such default of which the Tenant may have knowledge and stating any other information reasonably requested.

ARTICLE 28 – PARTIES BOUND

28.1 The obligations of this Lease shall bind and benefit the successors and permitted assigns of the parties with the same effect as if mentioned in each instance where a party is named or referred to herein. However, the obligations of Landlord under this Lease shall not be binding upon Landlord herein named with respect to any period subsequent to the transfer of its interest in the Demised Premises as owner or lessee thereof and in the event of such transfer said obligations shall thereafter be binding upon each transferee of the interest of Landlord herein named as such owner or lessee of the Demised Premises; provided that the foregoing release shall not apply in the event that Landlord fails to deliver all amounts then being held by Landlord on account of the Security Deposit to Landlord's successor or assign.

28.2 Tenant shall look solely to Landlord's equity in the Demised Premises (or the proceeds thereof) for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder, and no other property or assets of Landlord or Landlord's transferees shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to either this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use and occupancy of the Demised Premises. The foregoing limitation shall not apply in the event that Landlord fails to maintain insurance with respect to the Property. Landlord shall provide Tenant evidence of all insurance maintained by Landlord with respect to the Property within ten (10) days of Tenant's request.

ARTICLE 29 – SECURITY DEPOSIT

29.1 The Tenant will deposit with Landlord on the date of this Lease a security deposit in the amount set forth on the Summary ("Security Deposit"). The Landlord may deduct from the Security Deposit any expenses incurred in connection with an Event of Default by Tenant under this Lease. If the amount of damage caused by Tenant's Event of Default exceeds the Security Deposit, the Tenant shall pay the additional amount of the damages to the Landlord within ten (10) days of demand. If the Landlord properly applies the Security Deposit or any part of it during the Lease Term to cure an Event of Default, the Tenant shall within ten (10) days of demand pay such amount as required to restore the Security Deposit to the amount set forth on the Summary. The amount of the Security Deposit is to remain constant throughout the Lease Term and any renewal or extension of this Lease. The Security Deposit may not be used by the Tenant for the payment of rent. The Landlord shall have no obligation to segregate the Security Deposit and Landlord shall repay to the Tenant any balance of the Security Deposit remaining within thirty (30) days after the end of the Lease Term. The Tenant shall not be entitled to interest on the Security Deposit.

ARTICLE 30 – BROKERS

30.1 Except as identified on the Summary, Landlord and Tenant each represents and warrants to the other that no broker is involved in this transaction or brought about this Lease. Landlord and Tenant agree to indemnify and hold each other harmless against any liability which either is legally obligated to discharge and which is imposed wholly or partly because of a relationship with any broker, agent or its representative other than specified above. Landlord shall pay the Brokers commissions pursuant to a separate agreement between Landlord and the Brokers.

ARTICLE 31 – RENEWAL OPTIONS

31.1 Provided no Event of Default exists at the commencement of the Extended Period, Tenant shall have the right to extend the Lease Term from the date upon which this Lease would otherwise expire for the period set forth on the Summary (each an "Extended Period"). If Tenant elects to exercise said option, it shall do so by giving notice of such election (an "Election Notice") to Landlord on or before the date which is one hundred eighty (180) days prior to the termination of the then current Lease Term. Tenant agrees that it shall have forever waived its right to exercise any such option if it shall fail for any reason whatsoever to give such notice to Landlord by the time provided for the giving of such notice, whether such failure is inadvertent or intentional, time being of the essence as to the exercise of said option. Upon the proper exercise of this option by Tenant and subject to the other provisions of this Article 31, the Lease Term shall be extended for the Extended Period covered by the option so exercised without execution of an extension or renewal lease. The Lease during the Extended Period shall be upon the same terms and conditions as are in effect immediately preceding the commencement of such Extended Period, except that Tenant shall have no right or option to extend the term for any period

of time beyond the expiration of the second (2nd) Extended Period and except that in the Extended Period the Minimum Annual Rent and the Minimum Monthly Rent shall be determined in accordance with Section 31.2. Any termination, expiration, cancellation or surrender of this Lease shall terminate any right or option for the Extended Period not yet exercised. Such options to extend the Lease Term may not be severed from this Lease or separately sold, assigned or otherwise transferred.

31.2 The Minimum Annual Rent and the Minimum Monthly Rent that Tenant shall be required to pay to Landlord for the Demised Premises pursuant to this Lease with respect to each of the months of the applicable Extended Period shall be determined in accordance with the arbitration mechanism set forth in this Section 31.2.

31.2.1 For a period of thirty (30) days following Landlord's receipt of the Election Notice (the "Negotiation Period"), Landlord and Tenant shall negotiate in good faith to determine the fair market value of the Minimum Annual Rent and the Minimum Monthly Rent for the Demised Premises to be paid by Tenant to Landlord. As used herein, "fair market value" means the base rent which a landlord willing but not forced to lease and a tenant willing but not forced to rent would accept and pay for the Demised Premises, or space similar to the Demised Premises at the Property or in other buildings of the same quality located in Mercer County, New Jersey, with the parties, in making such determination, taking into account all relevant economic factors including, but not limited to, the length of the Extended Period, the condition and location of the Demised Premises within the Property, and the amount of any tenant improvement allowance and other concessions.

31.2.2 If agreement cannot be reached within the Negotiation Period, then Landlord and Tenant shall each, no later than thirty (30) days after the expiration of the Negotiation Period, make reasonable determinations as to (A) the fair market value of the Minimum Annual Rent and the Minimum Monthly Rent for the Demised Premises as of the 1st day of the 1st year of the Extended Period, and (B) the fair market annual rate of escalation to apply in connection with the increased amounts of the Minimum Annual Rent and the Minimum Monthly Rent to be paid by Tenant to Landlord for the Demised Premises in the 2nd and each succeeding year of the Extended Period (the "Escalation Rate") (each a "Rent Proposal"), and submit such Rent Proposals in writing to arbitration in accordance with the following provisions:

(A) No later than thirty (30) days after the expiration of the Negotiation Period, Landlord and Tenant shall each select an office leasing broker to act as an arbitrator. The two arbitrators so appointed shall, no later than thirty (30) days after appointment of the last arbitrator appointed, select another office leasing broker to act as a third arbitrator.

(B) The three arbitrators, acting by a majority, shall no later than forty-five (45) days after the appointment of the last arbitrator appointed, determine

which of the Rent Proposals most accurately reflects the actual fair market value of the Minimum Annual Rent and the Minimum Monthly Rent for the Demised Premises as of the 1st day of the Renewal Term and the Escalation Rate. In the case of each such determination, the decision of a majority of the arbitrators shall be binding on the parties. The Minimum Monthly Rent that Tenant shall be required to pay to Landlord for the Premises with respect to each of the months of the 1st year of the Extended Period shall be the Rent Proposal which is closest to the monthly fair market rental, as determined by the arbitrator timely appointed. The Rent Proposal

which is closest to the Escalation Rate, as determined by the arbitrator timely appointed, shall be used as the Escalation Rate for purposes of determining the increased amounts of Minimum Annual Rent required to be paid by Tenant to Landlord for the Demised Premises pursuant to this Lease with respect to the 2nd and each succeeding year of the applicable Extended Period.

(C) If either of the parties fails to appoint an arbitrator within the period of time required by Section 31.2.2(A), then and in such event, the arbitrator timely appointed shall determine which of the Rent Proposals most accurately reflects the actual fair market Minimum Monthly Rent for the Demised Premises as of the 1st day of the Extended Period and the Escalation Rate. In the case of each such determination, the decision of the arbitrator timely appointed shall be binding on the parties. The Minimum Monthly Rent that Tenant shall be required to pay to Landlord for the Premises with respect to each of the months of the 1st year of the Extended Period shall be the Rent Proposal which is closest to the monthly fair market rental, as determined by the arbitrator timely appointed. The Rent Proposal which is closest to the Escalation Rate, as determined by the arbitrator timely appointed, shall be used as the Escalation Rate for purposes of determining the increased amounts of Minimum Annual Rent required to be paid by Tenant to Landlord for the Demised Premises pursuant to this Lease with respect to the 2nd and each succeeding year of the applicable Extended Period.

(D) All costs of such arbitration, including all fees and expenses to be paid to the arbitrators, shall be paid equally by the parties.

ARTICLE 32 – AMERICANS WITH DISABILITIES ACTS

32.1 Notwithstanding anything in this Lease to the contrary, as between Landlord and Tenant, (a) Tenant shall bear the risk of compliance with Title III of the Americans With Disabilities Act of 1990, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws (as amended from time to time, the "Disabilities Acts") in the Demised Premises that result from any use by Tenant of the Demised Premises for a purpose other than office use or modifications to the Demised Premises made by Tenant, (b) Landlord, at its sole cost and

expense, shall bear the risk of non-compliance with the Disabilities Acts of the Property (including the Common Areas and the Demised Premises) prior to Lease Commencement Date, and (c) Landlord, as a Common Area Cost, shall bear the risk of compliance with the Disabilities Acts in the Common Areas or the Demised Premises that is necessitated by an amendment or change in the Disabilities Act from and after the Lease Commencement Date.

32.2 Landlord represents and warrants to Tenant that as of the Lease Commencement Date the Property complies in all material respects with the Disabilities Acts, or in the event that the Property does not comply. Landlord shall cause the Property to comply at its sole cost and expense.

ARTICLE 33 – GENERAL PROVISIONS

33.1 The laws of the State of New Jersey shall govern the validity, performance and enforcement of this Lease and any dispute arising hereunder shall be adjudicated in a forum located in the County of Mercer, State of New Jersey.

33.2 The invalidity of one or more phrases, articles, sections, sentences, clauses or paragraphs contained in this Lease shall not affect the remaining portions of this Lease or any part thereof, and in the event that any one or more of the phrases, articles, sections, sentences, clauses or paragraphs contained in this Lease shall be deemed invalid, this Lease shall be construed as if such invalid phrases, articles, sections, sentences, clauses or paragraphs had not been inserted herein.

33.3 Tenant shall not record this Lease nor any Memorandum of Lease.

33.4 Except as otherwise expressly provided for herein, this Lease and the obligations of Tenant to pay rent hereunder and perform all of the other covenants, agreements, terms, provisions and conditions hereunder on the part of Tenant to be performed shall in no way be affected, impaired or excused because Landlord is unable to fulfill any of its obligations under this Lease, or is unable to supply or is delayed in supplying any service, expressed or implied, to be supplied or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of any cause beyond Landlord's reasonable control, including, but not limited to, Acts of God, strikes, labor troubles, shortage of materials, government preemption in connection with a national emergency or by reason of the conditions of supply and demand which have been or are affected by war, hostilities or similar emergency; provided that Landlord shall in each instance exercise reasonable diligence to effect performance as soon as possible. It is agreed that the Landlord shall not be required to incur any overtime or additional expenses in Landlord's reasonable diligence to effect the performance of any of the Landlord's obligations in this Lease contained.

33.5 Except for seeing eye animals accompanying legally blind individuals, no dogs, cats, or other animals are allowed on or in the Demised Premises or the Property without the Landlord's prior written consent.

33.6 The Summary attached to the front of this Lease is hereby incorporated into and made a part of this Lease by this reference.

33.7 Smoking is prohibited inside all buildings on the Property and in all locations on the Property other than designated smoking locations designated by the Landlord.

33.8 This Lease may be amended only by an instrument in writing signed by the parties hereto.

33.9 Any headings preceding the text of the various sections and subsections hereof are inserted solely for convenience of reference and shall not constitute a part of this Lease, nor shall they affect its meaning, construction or effect.

33.10 Each of Landlord and Tenant hereby represents and warrants to the other that the person, officer, member, partner or entity executing and delivering this Lease on its behalf is authorized to execute and deliver this Lease on its behalf and when so executed and delivered on its behalf by such person, officer, member, partner or entity, this Lease shall be binding on it.

33.11 This Lease may be executed in counterparts, each of which shall be deemed to be an original of this Lease, but all of which, together, shall constitute one and the same instrument. The transmission of a signed counterpart of this Lease by facsimile or by portable document format (.pdf) shall have the same force and effect as delivery of an original signed counterpart of this Lease and shall constitute valid and effective delivery for all purposes of this Lease.

33.12 Tenant's name and location shall be displayed on the Unit or Property directory at Landlord's expense.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have signed their names and affixed their seals the day and year first above written.

WITNESS:

/s/ Nancy Crucili
Name:

LANDLORD:

Bunn Farm Associates, LLC

By: /s/ Edwin W. Schmierer
Name: Edwin W. Schmierer
Title: Manager

WITNESS:

TENANT:

Agile Therapeutics, Inc.

/s/ C.G. Arnold
Name: C.G. Arnold

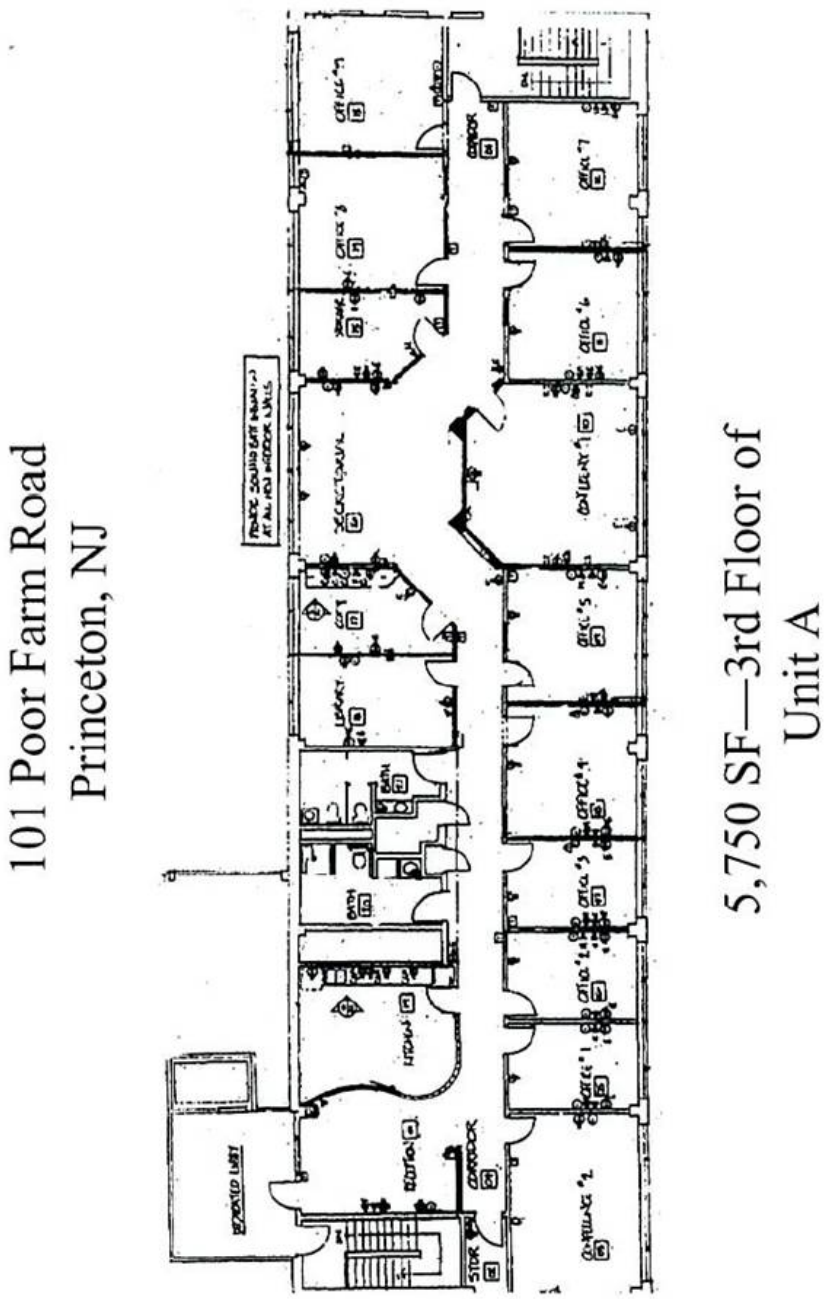
By: /s/ Alfred Altomari
Name: Alfred Altomari
Title: President and CEO

[SIGNATURE PAGE TO LEASE]

EXHIBIT A

OUTLINE OF DEMISED PREMISES

28



LEASE AMENDMENT

THIS LEASE AMENDMENT ("Agreement") is entered into on this 20th day of November, 2012 (the "Effective Date") by and between Agile Therapeutics, Inc. ("Tenant") and Bunn Farm Associates, LLC ("Landlord").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into a lease dated November 19, 2010 ("Original Lease" and as amended by this Agreement, the "Lease") for approximately 5,750 square feet of office space ("Original Space") on the third floor of Unit A of Herrontown Woods Condominium located at 101 Poor Farm Road, Princeton, New Jersey 08540 ("Demised Premises"); and

WHEREAS, the Tenant has requested that it be permitted to lease from the Landlord approximately 1,250 square feet of additional space located on the second floor of Unit A of Herrontown Woods Condominium ("Additional Space"); and

WHEREAS, Landlord is willing to lease the Additional Space to the Tenant through the Lease Expiration Date (as defined in the Original Lease), subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby expressly acknowledged, the parties hereto, each intending to be legally bound, do hereby agree as follows:

Recitals; Defined Terms. The Recitals to this Agreement stated above are hereby incorporated herein by reference. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings assigned to such terms in the Original Lease. The term "Lease" and all references thereto in this Agreement and in the Original Lease shall mean and refer to the Original Lease as amended by this Agreement.

Lease Amendment - Demised Premises. From and after the Effective Date, the Original Lease shall be amended so that the term "Demised Premises" shall mean both the Original Space and the Additional Space, so that the Demised Premises shall consist of approximately 7,000 square feet.

Lease Amendment - Monthly Base Rent. The Minimum Monthly Rent to be paid by Tenant to the Landlord during the Term shall remain unchanged as set forth in the Lease for the Original Space, however, in addition, for the period commencing December 1, 2012 through and including November 30, 2013, Tenant shall pay to Landlord, at the times and in the manner for the payment of Minimum Monthly Rent set forth in the Original Lease, an additional sum of $2,396.00 per month for the total rent due and attributable to the Additional Space. For the avoidance of doubt, while the Original Space shall remain

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subject to all of the terms and conditions of the Original Lease, the Additional Space shall also remain subject to all of the terms and conditions of the Original Lease (including, without limitation, Tenant's renewal option in Article 31), however, (i) the Minimum Monthly Rent attributable to the Additional Space shall be a fixed gross rent of $2,396.00 per month for a total rental obligation relative to the Additional Space for the period of December 1, 2012 through November 30, 2012 of $28,752.00, and (ii) the Additional Space is not separately metered for electric and Landlord shall provide, or cause to be provided, Tenant with electricity for the Additional Space as part of the Minimum Monthly Rent for the Additional Space. Landlord and Tenant acknowledge that there is no change to Tenant's Proportionate Share of Common Area Costs, it being understood that Tenant's obligation to pay its Proportionate Share of Common Area Costs only applies to the Original Space.

Condition. The Tenant accepts the Additional Space in its "AS-IS" condition being fully aware of the condition of the subject premises and the building in which same are located. It is expressly agreed that Tenant shall be solely responsible for any fit-out costs for the Demised Premises, including the Additional Space and that Landlord makes no representations or warranties whatsoever regarding the condition of the Demised Premises, including the Additional Space. Any fit-out undertaken by Tenant shall be in compliance with all requirements under the Lease and applicable laws, rules, regulations and ordinances.

Release. Tenant hereby acknowledges and confirms that Landlord is not in default of any of its duties or obligations under the Lease. By signing this Agreement, Tenant hereby releases Landlord, its officers, directors, shareholders, managers, employees, professionals, agents, representatives, owners and members from any and all claims, damages and/or liabilities, whether known or unknown, past or present, incurred or arising out of the Lease.

Entire Agreement. This Agreement together with the Original Lease, as modified hereby, embodies the entire agreement of Landlord and Tenant with respect to the subject matter of this Agreement. This Agreement supersedes any prior agreements, whether written or oral, with respect to the subject matter of this Agreement. There are no agreements or understandings which are not set forth in the Original Lease or this Agreement. This Agreement may be modified only by a written instrument duly executed by Tenant and Landlord. In the event of any conflict between the terms of this Agreement and the Original Lease, this Agreement shall govern as to the term in conflict.

Binding Effect. The terms and provisions of this Agreement will inure to the benefit of, and will be binding upon, the permitted successors, assigns, personal representatives, heirs, devisees, and legatees of Tenant and Landlord. Tenant and Landlord have executed this Agreement on the respective dates set forth beneath their signatures below. Any agent or other person executing this Agreement on behalf of any party represents and warrants to the others and to Landlord that he or she has full power and authority to execute this Agreement on such party's behalf.

Governing Law. The interpretation and construction of this Agreement, and all matters relating hereto, shall be governed by the laws of the State of New Jersey applicable to agreements executed and to be performed solely within the State of New Jersey.

Jurisdiction; Agents for Service of Process. Any proceeding brought against any of the parties to this Agreement on any dispute arising out of this Agreement or any matter related hereto shall be brought in the courts of the County of Mercer, State of New Jersey, or in the United States District Court for New Jersey, and, by execution and delivery of this Agreement, each of the parties to this Agreement accepts the exclusive jurisdiction of such courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement.

Legal Representation. The parties acknowledge that they have entered into this Agreement after consultation with their respective attorneys.

Full Force and Effect. Except as specifically and expressly modified by this Agreement, the terms and conditions of the Original Lease shall remain in full force and effect.

Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and part of one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed, or have caused their duly authorized representatives to execute, this Agreement the day and year first above written.

Agile Therapeutics, Inc.

By: /s/ Alfred Altomari
Name: President and CEO
Date: November 20, 2012

Bunn Farm Associates, LLC

By: /s/ Shawn M. Neufeld
Name: Shawn M. Neufeld, Manager
Date: 11/20/12

SECOND LEASE AMENDMENT

THIS SECOND LEASE AMENDMENT ("Agreement") is entered into on this 24th day of July, 2013 (the "Effective Date") by and between Agile Therapeutics, Inc. ("Tenant") and Bunn Farm Associates, LLC ("Landlord").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into a lease dated November 19, 2010 ("Original Lease" and as amended, the "Lease") for approximately 5,750 square feet of office space ("Original Space") on the third floor of Unit A of Herrontown Woods Condominium located at 101 Poor Farm Road, Princeton, New Jersey 08540 ("Demised Premises"); and

WHEREAS, Landlord and Tenant entered into an amendment to the Lease dated November 20, 2012 ("Amendment to Lease" or "Lease Amendment") by which Tenant leased from the Landlord approximately 1,250 square feet of additional space located on the second floor of Unit A of Herrontown Woods Condominium ("Additional Space"); and

WHEREAS, Tenant has requested further modifications to the Lease and the Amendment to Lease as set foth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby expressly acknowledged, the parties hereto, each intending to be legally bound, do hereby agree as follows:

Recitals; Defined Terms. The Recitals to this Agreement stated above are hereby incorporated herein by reference. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings assigned to such terms in the Original Lease and/or the Amendment to Lease.

Lease Amendment — Term. The Lease Term shall be extended through, and shall expire on, November 30, 2015.

Lease Amendment - Base Rent.

The Minimum Monthly Rent to be paid by Tenant to the Landlord during the Lease Term for the approx. 5,750 sq. ft. of space comprising the Demised Premises shall be:

Through November 30, 2013 — $10,541.67/ month
From December 1, 2013 — November 30, 2014 - $129,375/year - $10,781.25/month
From December 1, 2014 — November 30, 2015 - $132,250/year - $11,020.83/month

The Minimum Monthly Rent to be paid by Tenant to the Landlord during the Lease Term for the approx. 1,250 sq. ft. of space comprising the Demised Premises shall be:

Through November 30, 2013 — $2,396/ month
From December 1, 2013 — November 30, 2014 - $29,375/year - $2,447.91/month
From December 1, 2014 — November 30, 2015 - $30,000/year - $2,500/month

Lease Base Year — The Lease Base Year shall remain as per the existing lease (2011 base year) through the end of the Lease Term of November 30, 2015.

Condition. The Tenant accepts the Demised Premises in its "AS-IS" condition being fully aware of the condition of the subject premises and the building in which same are located. It is expressly agreed that Tenant shall be solely responsible for any fit-out costs for the Demised Premises, including the Additional Space and that Landlord makes no representations or warranties whatsoever regarding the condition of the Demised Premises, including the Additional Space. Any fit-out undertaken by Tenant shall be in compliance with all requirements under the Lease and applicable laws, rules, regulations and ordinances.

Release. Tenant hereby acknowledges and confirms that Landlord is not in default of any of its duties or obligations under the Lease. By signing this Agreement, Tenant hereby releases Landlord, its officers, directors, shareholders, managers, employees, professionals, agents, representatives, owners and members from any and all claims, damages and/or liabilities, whether known or unknown, past or present, incurred or arising out of the Lease.

Entire Agreement. This Agreement together with the Amendment to Lease and the Original Lease, as modified hereby, embodies the entire agreement of Landlord and Tenant with respect to the subject matter of this Agreement. This Agreement supersedes any prior agreements, whether written or oral, with respect to the subject matter of this Agreement. There are no agreements or understandings which are not set forth in the Original Lease, the Lease Amendment, or this Agreement. This Agreement may be modified only by a written instrument duly executed by Tenant and Landlord. In the event of any conflict between the terms of this Agreement, the Lease Amendment, and the Original Lease, this Agreement shall govern as to the term in conflict.

Binding Effect. The terms and provisions of this Agreement will inure to the benefit of, and will be binding upon, the permitted successors, assigns, personal representatives, heirs, devisees, and legatees of Tenant and Landlord. Tenant and Landlord have executed this Agreement on the respective dates set forth beneath their signatures below. Any agent or other person executing this Agreement on behalf of any party represents and warrants to the others and to Landlord that he or she has full power and authority to execute this Agreement on such party's behalf.

Governing Law. The interpretation and construction of this Agreement, and all matters relating hereto, shall be governed by the laws of the State of New Jersey applicable to agreements executed and to be performed solely within the State of New Jersey.

Jurisdiction. Agents for Service of Process. Any proceeding brought against any of the parties to this Agreement on any dispute arising out of this Agreement or any matter related hereto shall be brought in the courts of the County of Mercer, State of New Jersey, or in the United States District Court for New Jersey, and, by execution and delivery of this Agreement, each of the parties to this Agreement accepts the exclusive jurisdiction of such courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement.

Legal Representation. The parties acknowledge that they have entered into this Agreement after consultation with their respective attorneys.

Full Force and Effect. Except as specifically and expressly modified by this Agreement, the Lease Amendment, and the terms and conditions of the Original Lease shall remain in full force and effect.

Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and part of one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed, or have caused their duly authorized representatives to execute, this Agreement the day and year first above written.

Agile Therapeutics, Inc.

By: /s/ Alfred Altomari
Name: Al Altomari, President & CEO
Date: July 24, 2013

Bunn Farm Associates, LLC

By: /s/ Shawn M. Neufeld
Name: Shawn M. Neufeld, Manager
Date: July 24, 2013

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated March 17, 2014, in the Registration Statement (Form S-1) and related Prospectus of Agile Therapeutics, Inc. dated March 17, 2014 for the registration of 000,000 shares of its common stock.

/s/ Ernst & Young LLP

Metropark, New Jersey
March 17, 2014

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Exhibit 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the inclusion in this Registration Statement of Agile Therapeutics, Inc. (a development stage enterprise) on Form S-1 to be filed on or about March 17, 2014 of our report dated March 14, 2014, on our audit of the statement of stockholders' deficit and the statements of operations and cash flows (not separately presented herein) for the cumulative period from December 22, 1997 (inception) to December 31, 2008. Our report includes an explanatory paragraph about the existence of substantial doubt concerning the Company's ability to continue as a going concern. We also consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-1.

/s/ EISNERAMPER LLP

Iselin, New Jersey
March 17, 2014

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EXHIBIT 23.4

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of Agile Therapeutics, Inc. (the "Company"), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 17th day of March, 2014.

/s/ William T. McKee

William T. McKee

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