As filed with the Securities and Exchange Commission April 7, 2017

Registration No. 333-

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

FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

UroGen Pharma Ltd.
(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

State of Israel	2834	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

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Ra'anana 4365007, Israel
Tel: +972 (9) 770-7601
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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

Copies to:

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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. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) 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. ☐

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. ☐

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. ☐

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE (2)
Ordinary Shares, par value NIS 0.01 per share	$50,000,000	$5,795

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes the ordinary shares that the underwriters have the option to purchase.
(2) 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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The information contained in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 7, 2017

PRELIMINARY PROSPECTUS

Ordinary Shares

UroGen Pharma Ltd.

We are offering ordinary shares. This is our initial public offering and no public market currently exists for our ordinary shares. We expect the initial public offering price to be between $ and $ per share. We have applied to have our ordinary shares listed on the NASDAQ Global Market under the symbol "URGN."

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in our ordinary shares involves a high degree of risk. Please read "Risk Factors" beginning on page 14 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price	$	$
Underwriting Discounts and Commissions (1)	$	$
Proceeds to UroGen Pharma Ltd. Before Expenses	$	$

(1) We have agreed to reimburse the underwriters for certain expenses. See "Underwriting."

Delivery of the ordinary shares is expected to be made on or about , 2017. We have granted the underwriters an option for a period of 30 days to purchase up to an additional ordinary shares. 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 $.

Jefferies **Cowen and Company**

Prospectus dated , 2017

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Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus, any amendment or supplement to this prospectus, or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell ordinary shares and seeking offers to purchase ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of ordinary shares. Our business, financial condition, results of operations and prospects may have changed since the date on the front cover of this prospectus.

For investors outside of the United States: Neither we nor any of the underwriters have taken any action to 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.

MitoGel, VesiGel, Vesimune, UroGen and RTGel are trademarks of ours that we use in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this prospectus appear without the ® or ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to our trademark and tradenames.

MARKET, INDUSTRY AND OTHER DATA

This prospectus contains estimates, projections and other information concerning our industry, our business, and the markets for our product candidates. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources.

In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Special Note Regarding Forward-Looking Statements."

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before deciding to invest in our ordinary shares, you should read this entire prospectus carefully, including the sections of this prospectus entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus. Unless the context otherwise requires, references in this prospectus to the "company," "UroGen Pharma," "we," "us" and "our" refer to UroGen Pharma Ltd. and its subsidiary, Urogen Pharma, Inc. The terms "shekel," "Israeli shekel" and "NIS" refer to New Israeli Shekels, the lawful currency of the State of Israel, and the terms "dollar," "U.S. dollar" or "$" refer to United States dollars, the lawful currency of the United States. All references to "shares" in this prospectus refer to ordinary shares of UroGen Pharma Ltd., par value NIS 0.01 per share.

Overview

We are a clinical stage biopharmaceutical company focused on developing novel therapies designed to change the standard of care for urological pathologies. We have an innovative and broad pipeline of product candidates that we believe can overcome the deficiencies of current treatment options for a variety of urological conditions with a focus on uro-oncology. Our lead product candidates, MitoGel and VesiGel, are proprietary formulations of the chemotherapy drug Mitomycin C, or MMC, a generic drug which is currently used off-label for urothelial cancer treatment only in a water-based formulation as an adjuvant, or supplemental post-surgery, therapy. We are developing our product candidates as chemoablation agents, which means they are designed to remove tumors by non-surgical means, to treat several forms of non-muscle invasive urothelial cancer, including low-grade upper tract urothelial carcinoma, or UTUC, and low-grade bladder cancer. We believe that MitoGel and VesiGel, which are both local drug therapies, have the potential to significantly improve patients' quality of life by replacing costly, sub-optimal and burdensome tumor resection surgeries as the first-line standard of care. MitoGel and VesiGel may also reduce the need for bladder, kidney and upper urothelial tract removals, which are typically performed on patients whose cancer progresses despite undergoing tumor resection surgical procedures. Additionally, we believe that our product candidates, which are based on novel formulations of approved drugs, may qualify for streamlined regulatory pathways to market approval.

We believe that urothelial cancer, which is comprised of bladder cancer and UTUC, affects a large and underserved patient population. Annual expenditures for Medicare alone in the United States for the treatment of urothelial cancer were estimated to be at least $4 billion in 2010 and are projected to be at least $5 billion in 2020. The majority of the historical expenditures was spent on tumor resection surgeries such as transurethral resection of bladder tumor, or TURBT, and bladder, kidney and upper urothelial tract removals. In 2012, the estimated prevalence of urothelial cancer in the United States was 625,000 with an annual incidence of approximately 80,000. The 2012 prevalence of each of low-grade non-muscle invasive bladder cancer, or NMIBC, and low-grade UTUC in the United States was approximately 325,000 and 14,500, respectively. No drugs have been approved by the U.S. Food and Drug Administration, or the FDA, for the treatment of NMIBC in more than 15 years.

MitoGel and VesiGel are formulated using our proprietary reverse thermally triggered hydrogel, or RTGel, technology. We believe that RTGel-based drug formulations, which provide for the sustained release of an active drug, may improve the efficacy of treatment of various types of urothelial cancer without compromising the safety of the patient or interfering with the natural flow of fluids in the urinary tract. Our formulations are designed to achieve this by increasing the dwell time as well as the tissue coverage throughout the organ of the active drug. Consequently, we believe that RTGel-based drug formulations may enable us to overcome the anatomical and physiological challenges that have historically contributed to the lack of drug development for the treatment of urothelial cancer.

MitoGel and VesiGel are administered locally using the standard practice of intravesical instillation directly into the bladder or upper urothelial tract via a catheter. Instillation is expected to take place in the physician's office

as a same-day treatment, in comparison with TURBT or similar tumor surgical procedures, which are operations conducted under general anesthesia in a hospital setting and often require at least an overnight stay. Tumor surgical procedures often have limited success due to the inability to properly identify, reach and resect all tumors. We believe that an effective chemoablation agent can potentially provide better eradication of tumors irrespective of the detectability and location of the tumors. In addition, by removing the need for surgery, patients may avoid potential complications associated with surgery and hospital-acquired infections.

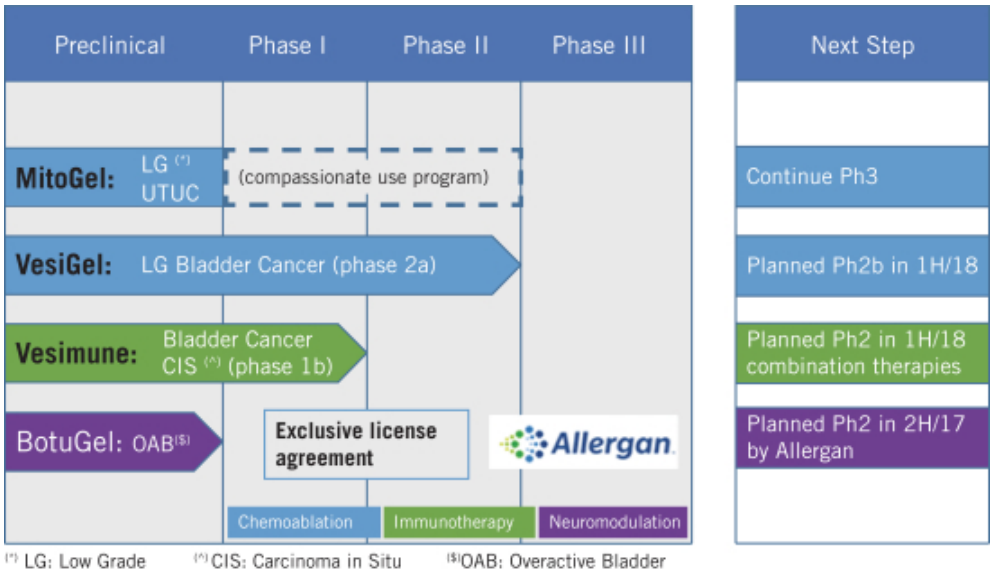
We are currently evaluating the safety and efficacy of MitoGel, our novel sustained-release formulation of MMC, in UTUC patients pursuant to an ongoing "Compassionate Use" program. "Compassionate Use" is the use outside of a clinical trial of an investigational, or not approved, medical product when patient enrollment in a clinical trial is not possible, typically due to patient ineligibility or a lack of ongoing clinical trials. Of the 13 patients with confirmed low-grade UTUC who have been evaluated endoscopically, or through the use of a nonsurgical viewing instrument to examine the urinary tract, in the program to date, eight have achieved a complete response and five have achieved a partial response at the primary evaluation time. Of the eight patients who have achieved a complete response at the primary evaluation time, three have subsequently experienced recurrences to date. Thus far in this Compassionate Use program, MitoGel has been observed to be well-tolerated. We have obtained Orphan Drug Designation for MitoGel for the treatment of UTUC. In November 2016, we filed an investigational new drug, or IND, application with the FDA for MitoGel, which was accepted by the FDA in December 2016. We commenced a single pivotal, open-label, single-arm Phase 3 clinical trial for the treatment of low-grade UTUC in the first quarter of 2017. We intend to pursue the FDA's 505(b)(2) regulatory pathway for MitoGel, which is a streamlined, lower-cost and more well-defined pathway to drug approval when compared to traditional drug development. We believe that MitoGel has the potential to become the first FDA-approved drug for the treatment of low-grade UTUC serving as a first-line chemoablation agent, sparing patients from repeated tumor resection surgeries and potentially reducing the need for kidney and upper urothelial tract removals.

In addition, we are currently evaluating the safety and efficacy of VesiGel, our novel sustained-release high dose formulation of MMC, for the treatment of low-grade NMIBC in a Phase 2 study being conducted in Europe and Israel. This study is expected to be completed in the second quarter of 2017. To date, 19 of 22, or approximately 86%, of the patients evaluated in our ongoing Phase 2a clinical trial who were treated in the VesiGel high dose group (80mg MMC) achieved a complete response at the primary evaluation time. Moreover, approximately 79% of the patients who achieved a complete response at the primary evaluation time and who have been followed for 12 months thereafter, without receiving additional treatments, remained recurrence free. This compares to approximately 40% to 60% of patients who historically achieve a 12-month durable complete response with TURBT as first-line treatment, followed by adjuvant treatments of MMC instillations into the bladder. We plan to file an IND for VesiGel in the second half of 2017, and, if accepted, to commence a Phase 2b clinical trial for VesiGel shortly thereafter. We also intend to pursue a 505(b)(2) regulatory pathway for VesiGel. We believe that VesiGel has the potential to replace tumor resection surgery and become the new first-line standard of care for the treatment of low-grade NMIBC.

Our clinical stage pipeline also includes Vesimune, our proprietary immunotherapy product candidate for the treatment of high-grade NMIBC. Vesimune is a novel, liquid formulation of Imiquimod, a generic toll-like receptor 7, or TLR7, agonist. Toll-like receptor agonists play a key role in initiating the innate immune response system. We believe that the combination of Vesimune with additional immunotherapy drugs, such as immune checkpoint inhibitors or chemotherapy drugs like VesiGel, could represent a valid alternative to the current standard of care for the post TURBT adjuvant treatment of high-grade NMIBC. BotuGel is our proprietary novel RTGel-based formulation of BOTOX, a branded drug, that we believe can potentially serve as an effective treatment option for patients suffering from overactive bladder. In October 2016, we announced the licensing of the worldwide rights to BotuGel to Allergan Pharmaceuticals International Limited, or Allergan, a wholly owned subsidiary of Allergan plc, which plans to commence a Phase 2 clinical trial of BotuGel in the second half of 2017, pursuant to the exclusive license agreement we entered into with Allergan in October 2016, or the Allergan Agreement.

Our Product Candidate Pipeline

The following chart summarizes the current status of our product candidate pipeline.



Overview of Upper Tract Urothelial Carcinoma

UTUC refers to malignant changes of the transitional urothelial cells lining in the upper urothelial tract, comprised of the renal pelvis and ureter. UTUC is nearly three times more common in men than women and affects mostly the elderly. UTUC accounts for approximately 5% to 10% of all new cases of urothelial cancer, which corresponds to an estimated annual incidence in the United States of up to 7,500 cases. In 2012, the estimated prevalence of UTUC in the United States was approximately 45,000, of which approximately 14,500 had low-grade disease.

The key prognostic factor at the time of diagnosis of UTUC is whether the tumor is in the muscle-invasive or non-muscle invasive stage. The number, size and location of tumors presented also represent important prognostic factors for UTUC. Approximately 40% of the patients diagnosed annually with UTUC in the United States present with non-muscle invasive UTUC.

Limitations of Current Treatment Options for Upper Tract Urothelial Carcinoma

There are currently no drugs approved by the FDA for the treatment of UTUC, representing a significant unmet medical need. Moreover, the anatomical complexity of the upper urothelial tract, particularly the renal pelvis, presents significant challenges to the proper identification and ability to reach and resect all tumors in tumor resection surgical procedures. Consequently, patients with high-grade disease or patients with low-grade disease that present with a large number of tumors typically undergo nephroureterectomy, which is kidney and upper urothelial tract removal.

Tumor resection, which aims to be a kidney sparing surgical procedure, is conducted only in patients with low-grade disease that present with a limited number of tumors. Such procedures are followed by adjuvant chemotherapy treatment, typically with MMC. However, the upper urothelial tract's anatomical constraints limit the effectiveness of surgical procedures and adjuvant chemotherapy treatments, leading to high rates of recurrence and risk for progression in this patient population. In a study published in 2009 in the Journal of Endourology evaluating 57 patients with low-grade UTUC who underwent tumor resections, recurrence occurred in 89.5% of patients with a mean of 5.5 recurrences per patient over a four-year period. Moreover,

approximately 20% of the patients in this study progressed and ultimately underwent kidney and upper tract removal.

MitoGel: Our Solution for the Treatment of Low-Grade Upper Tract Urothelial Carcinoma

We believe that MitoGel, our novel sustained-release RTGel-based formulation of MMC, has the potential to become the first FDA-approved drug for the treatment of low-grade UTUC and to serve as a first-line chemoablation agent, sparing patients from repeated tumor resection surgical procedures and potentially reducing the need for kidney and upper urothelial tract removal. We believe that MitoGel can overcome the significant anatomical and physiological constraints presented by the upper urothelial tract. MitoGel is administered directly into the upper urothelial tract using standard catheters and conforms to the complex anatomy of the upper urothelial tract. Once instilled, MitoGel converts into gel form in less than 10 minutes at body temperature. Subsequently, upon contact with urine, MitoGel gradually dissolves and releases the active drug, MMC, over a period of several hours versus several minutes for MMC in its current water-based formulation, without compromising the safety of the patient or interfering with the natural flow of fluids from the upper urothelial tract to the bladder. We believe that this substantial increase in dwell time of MMC positions MitoGel as a potential first-line chemoablation treatment alternative to tumor resection surgery for the treatment of low-grade UTUC, sparing patients from repeated and frequent tumor resection surgical procedures, and may also reduce the need for kidney and upper urothelial tract removal.

Overview of Non-Muscle Invasive Bladder Cancer

Bladder cancer accounts for approximately 90% to 95% of all new cases of urothelial cancer in the United States, with a prevalence of approximately 580,000. Bladder cancer is nearly three to four times more common in men than women, and, with an average age at diagnosis of 73, mostly affects the elderly. Bladder cancer is described as non-muscle invasive or muscle-invasive based on how far into the wall of the bladder the cancer has invaded. Muscle-invasive bladder cancer, or MIBC, has an average five-year survival of 15% to 63%, depending on severity. MIBC has a worse prognosis than NMIBC, which has a five-year survival rate of approximately 90%.

NMIBC accounts for approximately 80% of all new cases of bladder cancer diagnosed in the United States each year, which corresponds to an estimated annual incidence and prevalence of approximately 60,000 and 465,000 cases, respectively. NMIBC is divided into two grades, low and high, with high-grade tumors more likely to recur and progress into muscle-invasive tumors. Overall, approximately 70% of patients with NMIBC present with low-grade disease at diagnosis.

Limitations of Current Treatment Options for Non-Muscle Invasive Bladder Cancer

The standard of care for treating NMIBC patients is TURBT followed by adjuvant chemotherapy or immunotherapy treatment. TURBT is a surgical operation for tumor removal conducted under general anesthesia in a hospital setting and often requires at least an overnight stay. Moreover, TURBT's success is tied to the physician's ability to overcome challenges in properly identifying, reaching and resecting all tumors. Patients treated with the current standard of care have up to an approximately 60% rate of recurrence of NMIBC within one year, and the rate of progression of NMIBC to MIBC is between 20% and 30%. As a consequence, NMIBC patients have to undergo periodic and expensive follow-ups that can include multiple repeated TURBT procedures and adjuvant chemotherapy and immunotherapy treatments.

No drugs have been approved by the FDA as first-line treatment for NMIBC and only three drugs have been approved by the FDA for NMIBC, all used as adjuvant treatment, following TURBT. Efficacy of drug treatments has historically been limited due to challenges presented by bladder physiology, specifically the fact that urine is produced and voided frequently, thus diluting the concentration of the drug almost immediately and causing the excretion of the drug from the bladder at first urine voiding.

VesiGel: Our Solution for the Treatment of Low-Grade Non-Muscle Invasive Bladder Cancer

We believe that VesiGel, our novel sustained-release RTGel-based formulation of high dose MMC, has the potential to replace TURBT and become the new first-line standard of care for the treatment of low-grade NMIBC. VesiGel, a chemoablation agent, is administered locally using standard catheters in a physician's

office as a same-day treatment, in comparison with TURBT surgical procedures, which are operations conducted under general anesthesia in a hospital setting and often require at least an overnight stay. Once instilled, VesiGel converts into gel form in approximately 15 minutes at body temperature. Subsequently, upon contact with urine, VesiGel gradually dissolves and releases the active drug, MMC, over a period of several hours versus the time until first voiding, often less than an hour, for MMC in its current water-based formulation, without compromising the safety of the patient or interfering with the natural flow of urine out of the bladder. We designed VesiGel to conform to the bladder's anatomy and persist in the bladder despite urine flow and bladder movement. VesiGel has demonstrated significantly increased dwell time of MMC in the bladder and prolonged exposure of MMC to the tissue, enabling the chemoablation of both visible and undetected tumors. We are not aware of any drugs currently in development for the treatment of NMIBC, other than VesiGel, that take into consideration the specific challenges of bladder physiology.

RTGel: Our Reverse Thermally Triggered Hydrogel Platform Technology

We have developed RTGel, a novel proprietary polymeric biocompatible reverse thermal gelation hydrogel, which, unlike the general characteristics of most forms of matter, is liquid at lower temperatures and converts into gel form when heated. We believe that these characteristics promote ease of delivery into and retention of drugs in body cavities, including the bladder and the upper urothelial tract, by conforming to the anatomy of the target organ while preventing rapid excretion of the drug. RTGel's components are polymer-based and are all FDA approved as inactive ingredients. We formulate RTGel with an active drug: MMC in the case of MitoGel and VesiGel, and botulinum toxin in the case of BotuGel.

We believe that RTGel, when formulated with an active drug, may allow for the improved efficacy of treatment of various types of urothelial cancer without compromising the safety of the patient or interfering with the natural flow of fluids in the urinary tract. RTGel achieves this by:

- increasing the exposure of active drugs in the bladder and upper urothelial tract by significantly extending the dwell time of such drugs while conforming to the anatomy of the bladder and the upper urothelial tract, which allows for enhanced drug tissue coverage;
- administering higher doses of an active drug than would otherwise be possible using standard water-based formulations; and
- maintaining the active drug's molecular structure and mode of action.

These characteristics of RTGel enable sustained release of MMC in the urinary tract for both MitoGel and VesiGel, and of botulinum toxin in the case of BotuGel. Further, RTGel may be particularly effective in the bladder and upper urothelial tract where tumor visibility and access are challenging, and where there exists a significant amount of urine flow and voiding.

Our Competitive Strengths

Potential ability to develop non-surgical, first-line drug therapies for uro-oncology. Leveraging our innovative formulation technology, we are developing two lead product candidates, MitoGel and VesiGel, as potential replacements to first-line therapy for low-grade UTUC and NMIBC, respectively. Both MitoGel and VesiGel are chemoablation agents designed to overcome the challenges posed by the anatomy of the urinary tract by increasing the dwell time and enhancing the tissue coverage of MMC. Clinical data generated to date supports our belief that our lead product candidates may be able to replace the current first-line tumor surgical procedures, providing a chemoablation treatment that has the potential to better eradicate tumors irrespective of their detectability and location within the urinary tract.

Expertise in developing proprietary formulations of drugs for clinical benefit. We focus on developing proprietary RTGel formulations of previously approved drugs whose efficacy for a particular indication is limited by current formulations or routes of administration. While we have not yet brought a drug to market, our expertise has enabled us to develop proprietary RTGel-based formulations for several previously approved drugs to date, including clinical stage proprietary formulations of MMC and botulinum

toxin. With over 10 Ph.D. and medical doctors on our staff, we have a strong research and development team to advance our product candidates.

Lower development risks and costs for our pipeline product candidates. We expect the approval process for each of our current uro-oncology product candidates to be conducted according to the FDA's 505(b)(2) regulatory pathway, a streamlined, lower-cost and more well-defined pathway to drug approval when compared to traditional drug development. Furthermore, two of our product candidates, MitoGel and Vesimune, have received Orphan Drug Designation from the FDA for the treatment of UTUC and Carcinoma in Situ, or CIS, respectively, which we expect will provide seven years of marketing exclusivity following FDA approval, if received.

***Leverageable proprietary formulation technology*.** We believe that RTGel has multiple potential applications beyond urology. Our formulation know-how may enable us to develop different drug formulations to facilitate the delivery, retention and sustained release of active drugs to a variety of targeted body cavities. In October 2016, we announced that we licensed worldwide rights to a proprietary RTGel formulation with Botulinum Toxin and other clostridial, or intestinal bacteria, toxins to Allergan for the treatment of overactive bladder and related indications.

Strong intellectual property position. We have a robust intellectual property portfolio that includes four issued patents in the United States and several patent applications filed worldwide that are directed to methods, systems, new compounds and compositions for treating urinary tract cancer. Our intellectual property covers, among other things, our lead product candidates, MitoGel and VesiGel, as well as RTGel. The four issued patents are expected to expire between 2024 and 2031. In addition, we have 12 issued patents worldwide that relate to our other product candidates. These issued patents are expected to expire between 2030 and 2031. We also have 45 pending patent applications filed worldwide covering our various product candidates.

***Experienced and accomplished leadership team with proven track record*.** We have an experienced management team, with each member possessing more than 15 years of biopharmaceutical and related industry experience. We believe that our leadership team is well-positioned to lead us through clinical development, regulatory approval and commercialization for our product candidates.

Our Growth Strategy

Establish each of our lead product candidates, MitoGel and VesiGel, as the first-line therapy in its target indication. We believe that our lead product candidates have the potential to replace costly, sub-optimal and burdensome tumor resection procedures as first-line therapy and may also reduce the need for bladder, kidney and upper urothelial tract removals. We believe that data from an ongoing Compassionate Use program provide preliminary evidence of the potential safety and efficacy of MitoGel for the treatment of low-grade UTUC. In November 2016, we filed an IND for MitoGel, which was accepted by the FDA in December 2016. We commenced a single pivotal Phase 3 clinical trial for MitoGel in the first quarter of 2017 pursuant to the FDA's 505(b)(2) regulatory pathway. For VesiGel, which is currently in a Phase 2a clinical trial for the treatment of low-grade NMIBC, we expect to commence a Phase 2b clinical trial in the second half of 2017.

Expand our uro-oncology product pipeline. A Phase 1 clinical trial of Vesimune was completed under an IND in 12 patients with CIS, an aggressive form of high-grade NMIBC. In the study, 10 patients were evaluated for response of which 40% achieved a complete response rate with Vesimune as single-agent treatment. We believe that combining Vesimune with immune checkpoint inhibitors or chemotherapy has the potential to serve as a treatment option for high-grade urothelial tumors. We are also pursuing preclinical oncology programs that take advantage of our RTGel technology.

Establish ourselves as a commercial supplier of our MMC. We believe that by working with our existing third party manufacturer of the MMC needed for our product candidates MitoGel and VesiGel, we may be able to also become an approved commercial supplier of MMC in the United States. There are currently only two suppliers of MMC approved for sale in the United States. By working with our existing third party manufacturer of MMC and/or engaging an additional third party manufacturer of MMC to provide us with a

commercial scale supply of MMC, we may target the generic urothelial cancer market in order to sell our formulation of MMC, which could increase potential revenue streams. This may also potentially enable us to reduce the manufacturing cost of our lead product candidates, MitoGel and VesiGel.

Utilize our proprietary technology to expand our pipeline to other body cavities and indications. We believe that RTGel may be suitable for multiple additional applications. Our know-how may enable us to develop different drug formulations to facilitate the delivery, retention and sustained release of active drugs to a variety of targeted body cavities and for multiple indications. Beyond the urinary tract, we may target the gastrointestinal tract and female reproductive system.

Risks Associated with Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the "Risk Factors" section of this prospectus immediately following this prospectus summary. These risks include the following:

- We have a limited operating history and have incurred since inception, and expect to continue to incur for the foreseeable future, significant losses and negative cash flows.
- We have limited clinical trial experience with our product candidates and to date have generated only limited clinical data for our product candidates. Results of earlier studies and trials may not be predictive of future trial results, and our clinical trials may fail to adequately demonstrate the safety and efficacy of our product candidates.
- We have not applied for regulatory approvals to market any of our product candidates, and we may be delayed in obtaining or failing to obtain such regulatory approvals and to commercialize our product candidates.
- If the FDA does not conclude that MitoGel, VesiGel or our other product candidates satisfy the requirements under Section 505(b)(2) of the Federal Food Drug and Cosmetic Act, or if the requirements for such product candidates are not as we expect, the regulatory approval pathway for these product candidates will likely take significantly longer, cost significantly more and entail significantly greater complications and risks than anticipated, and in either case may not be successful.
- Even if our product candidates receive regulatory approval, they may fail to achieve the broad degree of physician adoption and use and market acceptance necessary for commercial success. Further, if MitoGel or VesiGel or any of our other product candidates produces undesirable side effects that we may not have detected in our previous preclinical studies and clinical trials, our ability to obtain and maintain marketing approval or physician and market acceptance for these product candidates would be significantly harmed.
- We are and expect to continue to be dependent on third-party subcontractors and single-source suppliers for the supply of sufficient quantities at acceptable costs of certain raw materials, compounds and components necessary to produce MitoGel, VesiGel and Vesimune for preclinical studies, clinical trials and, if approved, commercial supply.
- We may receive only limited protection, or no protection, from our issued patents and patent applications. If our efforts to obtain, protect or enforce our patents and other intellectual property rights related to our product candidates and technologies are not adequate, we may not be able to compete effectively.
- The market opportunities for our product candidates may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.
- Our product candidates, if approved, will face significant competition from competing technologies and our failure to compete effectively may prevent us from achieving significant market penetration.
- It may be difficult for us to profitably sell our product candidates if coverage and reimbursement for these products is limited by government authorities and/or third-party payor policies.

- Based upon the expected value of our assets, including any goodwill, and the expected nature and composition of our income and assets, we presently do not anticipate that we will be a passive foreign investment company, or a PFIC, for the taxable year ending December 31, 2017. However, it is not certain that the nature and composition of our income and assets will be as we currently expect, or that we will receive milestone payments in 2017 pursuant to the Allergan Agreement. If we do not receive milestone payments as anticipated or other non-passive income, we likely will be classified as a PFIC for 2017. Our status as a PFIC is a fact-intensive determination made on an annual basis and we cannot provide any assurances regarding our PFIC status for the current or future taxable years. If we are classified as a PFIC for any taxable year, our U.S. shareholders may suffer adverse tax consequences as a result (such as having gains realized on the sale of our ordinary shares treated as ordinary income, rather than capital gain, the loss of the preferential rate applicable to dividends received on our ordinary shares by individuals who are U.S. shareholders, and having interest charges apply to distributions by us and gains from the sale of our shares). Additionally, if we are classified as a PFIC, each holder of our ordinary shares who is a U.S. person will generally be required to file an annual information return on IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund). We do not currently intend to provide investors with the information that would enable them to make a qualified electing fund election, or QEF election.

Corporate Information

We were incorporated under the laws of the State of Israel in April 2004 under the name TheraCoat Ltd. In September 2015, we changed our name to UroGen Pharma Ltd. Our principal executive offices are located at 9 Ha'Ta'asiya Street, Ra'anana 4365007, Israel, and our telephone number is +972 (9) 770-7601. Our website address is *http://www.urogen.com*. The information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus. We have included our website address as an inactive textual reference only. Our agent for service of process in the United States is Urogen Pharma, Inc., located at 689 Fifth Avenue, 14th Floor, New York, New York 10022, and its telephone number is +1 (646) 768-9780.

Implications of Being an "Emerging Growth Company" and a Foreign Private Issuer

As a company with less than $1 billion in revenue during our last fiscal year, 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 specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- a requirement to have only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure in our initial registration statement; and
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earlier to occur of: (1) the last day of the fiscal year in which we have total annual gross revenues of $1.0 billion or more; (2) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (3) the date on which we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission, or the SEC. We may choose to take advantage of some but not all of these reduced burdens, and therefore the information that we provide holders of our ordinary shares may be different than the information you might receive from other public companies in which you hold equity. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards applicable to public companies. We have irrevocably elected to opt out of such extended transition period.

Upon consummation of this offering, we will report under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we continue to qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations with respect to a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial statements and other specified information, and current reports on Form 8-K upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer.

THE OFFERING

Ordinary shares offered by us	ordinary shares
Ordinary shares to be outstanding immediately after this offering	ordinary shares
Option to purchase additional ordinary shares	We have granted the underwriters an option for a period of 30 days after the date of this prospectus to purchase up to additional ordinary shares.
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional ordinary shares in full, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, based on an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus. We expect to use the net proceeds from this offering, together with our existing cash resources, to advance our clinical pipeline, including specifically to complete our single pivotal Phase 3 clinical trial of MitoGel; to file an IND for, and to initiate our planned Phase 2b clinical trial of, VesiGel; to fund continued research and clinical development of our other product candidates and for working capital and other general corporate purposes. See “Use of Proceeds” for more information about the intended use of proceeds from this offering.
Tax considerations	Based upon the expected value of our assets, including any goodwill, and the expected nature and composition of our income and assets, we presently do not anticipate that we will be classified as a passive foreign investment company, or a PFIC, for the taxable year ending December 31, 2017. However, it is not certain that the nature and composition of our income and assets will be as we currently expect, or that we will receive milestone payments in 2017 pursuant to the Allergan Agreement. If we do not receive milestone payments as anticipated or other non-passive income, we likely will be classified as a PFIC for 2017. As a result, we cannot provide any assurances regarding our PFIC status for the current or future taxable years.
Risk factors	See “Risk Factors” and other information included in this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our ordinary shares.
Proposed NASDAQ Global Market symbol	We have applied to have our ordinary shares listed on the NASDAQ Global Market under the symbol “URGN.”
Directed share program	At our request, the underwriters have reserved ordinary shares, or % of the shares being offered by this prospectus

(excluding the ordinary shares that may be issued upon the underwriters' exercise of their option to purchase additional shares), for sale at the initial public offering price to certain eligible directors, officers and employees and persons having business or other relationships with us and related persons through a directed share program. The number of our ordinary shares available for sale to the general public in the public offering will be reduced by the number of shares these individuals purchase. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. Each person buying shares through the directed share program will be subject to a 180-day lock-up period with respect to these shares. We have agreed to indemnify the underwriters conducting the directed share program against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the directed share program.

Unless otherwise stated, the number of ordinary shares to be outstanding after this offering is based on ordinary shares outstanding as of December 31, 2016 and assumes:

- the issuance by us of ordinary shares in this offering;
- the issuance of ordinary shares upon the conversion of all Series A preferred shares into ordinary shares, which will occur automatically upon the closing of this offering;

but excludes:

- ordinary shares reserved for issuance under our 2010 Israeli Share Option Plan, including ordinary shares reserved for issuance upon the exercise of outstanding options at a weighted average exercise price of $ per share, and ordinary shares reserved for issuance upon the vesting of outstanding restricted share units;
- ordinary shares reserved for issuance upon the achievement of certain milestones under the Vesimune asset purchase agreement with Telormedix SA; and
- the issuance of Series A-1 preferred shares upon the exercise of outstanding warrants to purchase Series A-1 preferred shares (assuming their exercise for cash) and the conversion thereof into ordinary shares, which will occur automatically upon the closing of this offering.

Unless otherwise indicated, all information in this prospectus:

- assumes an initial public offering price of $ per ordinary share, the midpoint of the range set forth on the cover of this prospectus;
- assumes no exercise of the underwriters' option to purchase up to additional ordinary shares;
- reflects a -for-1 share split to be effected on , 2017, by means of distribution of a share dividend of ordinary shares for each ordinary share then outstanding; and
- gives effect to the adoption of our amended and restated articles of association prior to the closing of this offering, which will replace our amended and restated articles of association as currently in effect.

SUMMARY FINANCIAL DATA

The following tables present summary financial data for our business. We derived the summary statements of operations data for the years ended December 31, 2016 and 2015 from our audited financial statements included elsewhere in this prospectus. We maintain our books and records in U.S. dollars, and prepare our financial statements in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, as issued by the Financial Accounting Standards Board, or FASB. You should read this data together with our financial statements and related notes appearing elsewhere in this prospectus and the information under the captions "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of our future results, and our interim period results are not necessarily indicative of results to be expected for a full year or any other interim period.

	YEAR ENDED DECEMBER 31,	
	2016	2015
Statements of operations data:		
Revenues	$ 17,530	—
Cost of revenue	28	—
Gross profit	17,502	—
Research and development expenses, net	$ 10,287	$ 10,515
General and administrative expenses	6,417	1,895
Operating income (loss)	798	(12,410)
Finance expenses, net	2,739	279
Net loss for the period	$ (1,941)	$ (12,689)
Loss per ordinary share, basic and diluted	$ (6.12)	$ (18.83)
Weighted average number of ordinary shares outstanding used in computing loss per share	720,477	719,060

	AS OF DECEMBER 31, 2016		
		(Unaudited)	
	ACTUAL	PRO FORMA(1)	PRO FORMA AS ADJUSTED(2)
		(in thousands)	
Cash and cash equivalents	$21,362	$ 21,362	$
Working capital(3)	$18,904	$ 18,904	$
Total assets	$23,056	$ 23,056	$
Total liabilities	$ 6,749	$ 6,749	$
Total shareholders' equity	$16,307	$ 16,307	$

(1) Data presented on a pro forma basis to reflect the automatic conversion of all outstanding preferred shares into an aggregate of 1,622,957 ordinary shares. As of December 31, 2016, we had outstanding warrants to purchase 227,602 Series A-1 preferred shares at an exercise price of $25 per share. The warrants will expire upon the closing of this offering, unless they are exercised beforehand. If the warrants are exercised for cash in full, we would expect that our cash and cash equivalents would increase by $5.1 million, our total shareholders' equity in respect of Series A-1 preferred shares would increase by $1,000 and our additional paid-in capital would increase by $8.7 million. If the warrants are net share settled in full, the aggregate impact on our capitalization would be an increase of shares. The Series A-1 preferred shares convert on a one-for-one basis with ordinary shares.

(2) Data presented on a pro forma as adjusted basis to give further effect to the sale of ordinary shares in this offering at an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the

cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Each $1.00 increase or decrease in the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus, would increase or decrease, respectively, the amount of cash and cash equivalents, total assets and total shareholders' equity by $, assuming the number of ordinary shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of ordinary shares we are offering. An increase or decrease of 100,000 in the number of ordinary shares we are offering would increase or decrease, respectively, the amount of securities, cash and cash equivalents, total assets and total shareholders' equity by $, assuming the assumed initial public offering price per ordinary share, as set forth on the cover of this prospectus, remains the same. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

(3) Working capital is defined as total current assets minus total current liabilities.

RISK FACTORS

Investing in our ordinary shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below, in addition to the other information set forth in this prospectus, including the financial statements and the related notes included elsewhere in this prospectus, before purchasing our ordinary shares. If any of the following risks actually occurs, our business, financial condition, cash flows and results of operations could be negatively impacted. In that case, the trading price of our ordinary shares would likely decline and you might lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, cash flows and results of operations.

Risks Related to Our Limited Operating History, Financial Condition and Capital Requirements

We have a limited operating history and have incurred significant losses and negative cash flows since our inception, and we anticipate that we will continue to incur significant losses and negative cash flows for the foreseeable future, which makes it difficult to assess our future viability.

We are a clinical stage biopharmaceutical company with a limited operating history upon which you can evaluate our business and prospects. We are not profitable and have incurred net losses in each period since we commenced operations in 2004, including net losses of $1.9 million and $12.7 million for the years ended December 31, 2016 and 2015, respectively. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. Our ability to ultimately achieve recurring revenues and profitability is dependent upon our ability to successfully complete the development of our product candidates, obtain necessary regulatory approvals for and successfully manufacture, market and commercialize our products.

We believe that we will continue to expend substantial resources in the foreseeable future for the clinical development of our current product candidates or any additional product candidates and indications that we may choose to pursue in the future. These expenditures will include costs associated with research and development, conducting preclinical studies and clinical trials, and payments for third-party manufacturing and supply, as well as sales and marketing of any of our product candidates that are approved for sale by regulatory agencies. Because the outcome of any clinical trial is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our clinical stage and preclinical drug candidates and any other drug candidates that we may develop in the future. Other unanticipated costs may also arise.

Our future capital requirements depend on many factors, including:

- the timing of, and the costs involved in, clinical development and obtaining regulatory approvals for our product candidates;
- changes in regulatory requirements during the development phase that can delay or force us to stop our activities related to any of our product candidates;
- the cost of commercialization activities if our products are approved for sale, including marketing, sales and distribution costs;
- the cost of third-party manufacturing of our products;
- the number and characteristics of any other product candidates we develop or acquire;
- our ability to establish and maintain strategic collaborations, licensing or other commercialization arrangements, and the terms and timing of such arrangements;
- the extent and rate of market acceptance of any approved products;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including potential litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties on, future approved products, if any;
- any product liability or other lawsuits related to our products;

- scientific breakthroughs in the field of urothelial cancer treatment and diagnosis that could significantly diminish the need for our product candidates or make them obsolete; and
- changes in reimbursement policies that could have a negative impact on our future revenue stream.

In addition, we have limited experience and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical industry. Drug development is a highly speculative undertaking and involves a substantial degree of risk. To date, we have not obtained any regulatory approvals for any of our product candidates, commercialized any of our product candidates or generated any material revenue.

We will require substantial additional financing to achieve our goals, and a failure to obtain this capital when needed and on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our product development, commercialization efforts or other operations. Since our inception, almost all of our resources have been dedicated to the preclinical and clinical development of our lead product candidates, MitoGel and VesiGel. As of December 31, 2016, we had cash and cash equivalents of $21.4 million.

We believe we have sufficient cash and cash equivalents to fund our operating expenses and capital expenditure requirements for at least the next 12 months. We expect that we will require additional capital to complete clinical trials, obtain regulatory approval for and commercialize our product candidates. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity, convertible debt or debt financings, third-party funding, marketing and distribution arrangements, as well as other collaborations, strategic alliances and licensing arrangements, or a combination of these approaches. In any event, we will require additional capital to pursue preclinical and clinical activities, and pursue regulatory approval for, and to commercialize, our pipeline product candidates. Even if we believe that we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations.

Any additional fundraising efforts may divert the attention of our management from day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may negatively impact the holdings or the rights of our shareholders, and the issuance of additional securities, whether equity or debt, by us or the possibility of such issuance may cause the market price of our shares to decline. The incurrence of indebtedness could result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than would be desirable and we may be required to relinquish rights to some of our technologies, intellectual property or product candidates or otherwise agree to terms unfavorable to us, any of which may harm our business, financial condition, cash flows, operating results and prospects.

If adequate funds are not available to us on a timely basis, we may be required or choose to:

- delay, limit, reduce or terminate preclinical studies, clinical trials or other development activities for our product candidates or any of our future product candidates;
- delay, limit, reduce or terminate our other research and development activities; or
- delay, limit, reduce or terminate our establishment or expansion of manufacturing, sales and marketing or distribution capabilities or other activities that may be necessary to commercialize MitoGel, VesiGel or any of our other product candidates.

We may also be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could harm our business, financial condition, cash flows and results of operations.

Raising additional capital may cause dilution to our shareholders, including purchasers of ordinary shares in this offering, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through equity, convertible debt or debt financings, as well as selectively continuing to enter into collaborations, strategic alliances and licensing arrangements. We do not currently have any committed external source of funds other than funding under the existing exclusive license agreement we entered into with Allergan Pharmaceuticals International Limited, or Allergan, a wholly owned subsidiary of Allergan plc, in October 2016, or the Allergan Agreement. Under the Allergan Agreement, we may receive additional material milestone payments upon the successful completion of certain development, regulatory and commercial milestones and royalties with respect to future sales of collaboration products by Allergan. Allergan may unilaterally terminate our existing collaboration for any reason upon advance notice. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as an ordinary shareholder. 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 and distributing dividends, and may be secured by all or a portion of our assets.

If we raise funds by selectively continuing to enter into additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish additional valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity, convertible debt 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 product candidates that we would otherwise prefer to develop and market ourselves. If we are unable to raise additional funds through other collaborations, strategic alliances or licensing arrangements, we may be required to terminate product development or future commercialization efforts or to cease operations altogether.

Risks Related to Our Business and Strategy

We are dependent on the success of our lead product candidates, including obtaining regulatory approval to market our product candidates in the United States.

We have invested almost all of our efforts and financial resources in the research and development of our lead product candidates, MitoGel and VesiGel. Our future success depends on our ability to market and sell these product candidates. However, these drugs are in various stages of clinical development and each of these drugs has yet to receive marketing approval from the U.S. Food and Drug Administration, or the FDA, or any other regulatory agency. Our product candidates' marketability is subject to significant risks associated with successfully completing current and future clinical trials, including:

- the FDA's timely acceptance of our IND filing for VesiGel, which we intend to submit in the second half of 2017, and our other product candidates for which we plan to file an IND. Without such IND acceptances, we will be unable to commence clinical trials in the United States;
- the FDA's acceptance of our parameters for regulatory approval relating to MitoGel, VesiGel and our other product candidates, including our proposed indications, primary and secondary endpoint assessments and measurements, safety evaluations and regulatory pathways;
- the FDA's acceptance of the number, design, size, conduct and implementation of our clinical trials, our trial protocols and the interpretation of data from preclinical studies or clinical trials;
- our ability to successfully complete the clinical trials of our product candidates, including timely patient enrollment and acceptable safety and efficacy data and our ability to demonstrate the safety and efficacy of the product candidates undergoing such clinical trials;
- our ability to complete in a timely fashion the single pivotal Phase 3 clinical trial for MitoGel for the treatment of low-grade UTUC, and that the single pivotal Phase 3 clinical trial, even if successfully completed, will be sufficient to support a New Drug Application, or NDA, submission;
- the FDA's acceptance of the sufficiency of the data we collected from our preclinical studies and are collecting from our ongoing Phase 2a clinical trial with VesiGel in low-grade non-muscle invasive bladder

cancer, or NMIBC, and expect to collect from toxicological studies that we may conduct to support the submission of an IND without requiring additional preclinical studies or clinical trials, and our ability to commence a Phase 2b clinical trial in the United States for VesiGel in low-grade NMIBC following an IND submission, if accepted;

- the FDA's willingness to schedule an advisory committee meeting in a timely manner to evaluate and decide on the approval of our potential future NDAs for MitoGel and VesiGel;
- the recommendation of the FDA's advisory committee to approve our applications to market MitoGel and VesiGel and our other product candidates in the United States, without limiting the approved labeling, specifications, distribution or use of the products, or imposing other restrictions;
- the FDA's satisfaction with the safety and efficacy of our product candidates;
- the prevalence and severity of adverse events associated with our product candidates;
- the timely and satisfactory performance by third-party contractors of their obligations in relation to our clinical trials;
- our success in educating physicians and patients about the benefits, administration and use of our product candidates, if approved, particularly in light of the fact that there are currently no drugs approved by the FDA for the treatment of UTUC and the FDA has not approved a drug for the treatment of NMIBC in more than 15 years;
- the availability, perceived advantages, relative cost, safety and efficacy of alternative and competing treatments for the indications addressed by our product candidates;
- the effectiveness of our marketing, sales and distribution strategy, and operations, as well as that of any current and future licensees;
- our ability to develop, validate and maintain a commercially viable manufacturing process that is compliant with current good manufacturing practices, or cGMP;
- our ability to obtain, protect and enforce our intellectual property rights with respect to our product candidates; and
- our ability to successfully train users with respect to the safe instillation of MitoGel and VesiGel.

Many of these clinical, regulatory and commercial risks are beyond our control. Accordingly, we cannot assure you that we will be able to advance any of our product candidates through clinical development, or to obtain regulatory approval of or commercialize any of our product candidates. If we fail to achieve these objectives or overcome the challenges presented above, we could experience significant delays or an inability to successfully commercialize our product candidates. Accordingly, we may not be able to generate sufficient revenues through the sale of our product candidates to enable us to continue our business.

We may be unable to obtain regulatory approval for our product candidates.

The research, development, testing, manufacturing, labeling, packaging, approval, promotion, advertising, storage, recordkeeping, marketing, distribution, post-approval monitoring and reporting, and export and import of drug products are subject to extensive regulation by the FDA, and by foreign regulatory authorities in other countries. These regulations differ from country to country. To gain approval to market our product candidates, we must provide clinical data that adequately demonstrate the safety and efficacy of the product for the intended indication. We have not yet obtained regulatory approval to market any of our product candidates in the United States or any other country. Our business depends upon obtaining these regulatory approvals. There are currently no drugs approved by the FDA for the treatment of UTUC and only three drugs have been approved by the FDA for NMIBC, with the last approval having occurred over 15 years ago. The FDA can delay, limit or deny approval of our product candidates for many reasons, including:

- our inability to satisfactorily demonstrate that the product candidates are safe and effective for the target indication;
- the FDA's disagreement with our trial protocol, the interpretation of data from preclinical studies or clinical trials, or adequate conduct and control of clinical trials;
- the population studied in the clinical trial may not be sufficiently broad or representative to assess safety in the patient population for which we seek approval;

- our inability to demonstrate that clinical or other benefits of our product candidates outweigh any safety or other perceived risks;
- the FDA's determination that the 505(b)(2) regulatory pathway is not available for our product candidates;
- the FDA's determination that additional preclinical studies or clinical trials are required;
- the FDA's non-approval of the formulation, labeling or the specifications of our product candidates;
- the FDA's failure to accept the manufacturing processes or facilities of third-party manufacturers with which we contract;
- the potential for approval policies or regulations of the FDA to significantly change in a manner rendering our clinical data insufficient for approval; or
- resistance to approval from the FDA's advisory committee for any reason including safety or efficacy concerns.

Even if we eventually complete clinical testing and receive approval of any regulatory filing for our product candidates, the FDA may grant approval contingent on the performance of costly and potentially time-consuming additional post-approval clinical trials or subject to restrictive Risk Evaluation and Mitigation Strategies. The FDA may also approve our product candidates for a more limited indication or a narrower patient population than we originally requested, and the FDA may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our product candidates. To the extent we seek regulatory approval in foreign countries, we may face challenges similar to those described above with regulatory authorities in applicable jurisdictions. Any delay in obtaining, or inability to obtain, applicable regulatory approval for any of our product candidates would delay or prevent commercialization of our product candidates and would thus negatively impact our business, results of operations and prospects.

To date, we have only generated limited clinical data for our product candidates.

Positive results in preclinical testing and early clinical trials do not ensure that later clinical trials will be successful. A number of pharmaceutical companies have suffered significant setbacks in clinical trials, including in Phase 3 clinical trials, after promising results in preclinical testing and early clinical trials. These setbacks have included negative safety and efficacy observations in later clinical trials, including previously unreported adverse effects. For example, to date, we have enrolled only 22 patients into the ongoing UTUC Compassionate Use program of MitoGel. Thus far only 13 patients who were confirmed with low-grade UTUC disease have been evaluated for response, and eight achieved a complete response and the remaining five achieved a partial response at the primary evaluation time. Of the eight patients who achieved a complete response at the primary evaluation time, three have subsequently experienced recurrences to date. The data generated by our Compassionate Use program may not be as reliable as data generated from a clinical trial. For instance, consistent with the nature of Compassionate Use programs, our Compassionate Use program is investigator-initiated and driven, with no uniform protocol with respect to dosing or primary endpoint. The data collected in our Compassionate Use program is based on individual physician reports and has not undergone independent monitoring or quality assurance. Further, we have only evaluated patients who have been diagnosed with tumors up to three centimeters in diameter. Due to the intricate anatomy of the renal pelvis and the calyceal system, we also face the risk that MitoGel may not reach all tumors. To date in our preclinical testing, Compassionate Use program and clinical trials, we have observed several adverse events and serious adverse events, consisting primarily of burning sensation, rash, urgency in urination and pain during urination. These adverse events are known MMC-related adverse events and are indicated as potential side effects of MMC usage on the MMC label. However, we cannot assure you that adverse events related to MitoGel and VesiGel that are not directly attributable to MMC specifically will not occur. While the preliminary data indicates that the product candidate appears to be safe and efficacious for the treatment of low-grade UTUC, our Compassionate Use program is ongoing and these results may not be replicated in additional Compassionate Use patients or in patients with tumors larger than three centimeters in diameter, or in our single pivotal Phase 3 clinical trial, which is currently expected to evaluate approximately 70 patients. In addition, this trial may not be successful. If our clinical trials do not ultimately indicate that our product candidates are safe or efficacious for their intended application, the FDA may not approve any NDA that we may file to market such product candidates, and our business would not be able to generate revenue from the sale of any such product candidates.

We have limited experience in conducting clinical trials and have never obtained approval for any product candidates, and may be unable to do so successfully.

As a company, we have limited experience in conducting clinical trials and have never progressed a product candidate through to regulatory approval. In part because of this lack of experience, our clinical trials may require more time and incur greater costs than we anticipate. We cannot be certain that the planned clinical trials will begin or conclude on time, if at all. Large-scale trials will require significant additional financial and management resources. In addition, due to the significant lack of drug development for non-muscle invasive urothelial cancers over the past 15 years, neither we nor any third-party clinical investigators, clinical research organizations, or CROs, and/or consultants are likely to have extensive experience conducting clinical trials for the indications we are targeting. Third-party clinical investigators do not operate under our control. Any performance failure on the part of such third parties could delay the clinical development of our product candidates or delay or prevent us from obtaining regulatory approval or commercializing our current or future product candidates, depriving us of potential product revenue and resulting in additional losses.

We have not applied for regulatory approvals to market any of our other product candidates, and we may be delayed in obtaining or failing to obtain such regulatory approvals and to commercialize our product candidates.

The process of developing, obtaining regulatory approval for and commercializing our product candidates is long, complex, costly and uncertain, and delays or failure can occur at any stage. The research, testing, manufacturing, labeling, marketing, sale and distribution of drugs are subject to extensive and rigorous regulation by the FDA and foreign regulatory agencies, as applicable. These regulations are agency-specific and differ by jurisdiction. We are not permitted to market any product candidate in the United States until we receive approval of an NDA from the FDA, or in any foreign countries until we receive the requisite approval from the respective regulatory agencies in such countries. To gain approval of an NDA or other equivalent regulatory approval, we must provide the FDA or relevant foreign regulatory authority with preclinical and clinical data that demonstrates the safety and efficacy of the product for the intended indication.

Before we can submit an NDA to the FDA or comparable similar applications to foreign regulatory authorities, we must conduct Phase 3 clinical trials, or a pivotal/registration trial equivalent, for each product candidate. We commenced a single pivotal, open-label, single-arm Phase 3 clinical trial of MitoGel for the treatment of low-grade UTUC in the first quarter of 2017. This clinical trial is substantially broader than our previous and ongoing Phase 1 and Phase 2 clinical trials and the Compassionate Use program for MitoGel for the treatment of patients with UTUC and requires us to enroll a considerably larger number of patients in multiple clinics and medical centers across multiple countries. Based on our discussions with the FDA, our current expectation is that our pivotal clinical trial for MitoGel will evaluate approximately 70 patients. We are also planning to commence a Phase 2b clinical trial of VesiGel in the first half of 2018. Before commencing a clinical trial for VesiGel in the United States, we must first file an IND, which must be accepted by the FDA. Also, while we believe that we have received adequate clarity from the FDA regarding the key safety and efficacy parameters for the pivotal trial of MitoGel in low-grade UTUC, we cannot assure you that the FDA will not decide to materially alter these parameters, including potentially requiring a pivotal study with a control arm, during the trial or require us to conduct more than one pivotal trial before submitting an NDA.

Phase 3 clinical trials often produce unsatisfactory results even though prior clinical trials were successful. Moreover, the results of clinical trials may be unsatisfactory to the FDA or foreign regulatory authorities even if we believe those clinical trials to be successful. The FDA or applicable foreign regulatory agencies may suspend one or all of our clinical trials or require that we conduct additional clinical, preclinical, manufacturing, validation or drug product quality studies and submit that data before considering or reconsidering any NDA or comparable foreign regulatory application that we may submit. Depending on the extent of these additional studies, approval of any applications that we submit may be significantly delayed or may cause the termination of such programs, or may require us to expend more resources than we have available.

If any of these outcomes occur, we may not receive regulatory approval for the corresponding product candidates, and our business would not be able to generate revenue from the sale of any such product candidates.

We may not be able to advance our preclinical product candidates into clinical development and through regulatory approval and commercialization.

Certain of our product candidates are currently in preclinical development and are therefore currently subject to the risks associated with preclinical development, including the risks associated with:

- generating adequate and sufficient preclinical safety and efficacy data in a timely fashion to support the initiation of clinical trials;
- obtaining regulatory approval to commence clinical trials in any jurisdiction, including the filing and acceptance of INDs;
- contracting with the necessary parties to conduct a clinical trial;
- enrolling sufficient numbers of patients in clinical trials; and
- timely manufacture of sufficient quantities of the product candidate for use in clinical trials.

If we are unsuccessful in advancing our preclinical product candidates into clinical trials in a timely fashion, our business may be harmed. Even if we are successful in advancing our preclinical product candidates into clinical development, their success will be subject to all of the clinical, regulatory and commercial risks described elsewhere in “Risk Factors.” Accordingly, we cannot assure you that we will be able to develop, obtain regulatory approval for, commercialize or generate significant revenue from our product candidates.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome, results of earlier studies and trials may not be predictive of future trial results, and our clinical trials may fail to adequately demonstrate the safety and efficacy of our product candidates.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. A failure of one or more of our clinical trials can occur at any time during the clinical trial process. We do not know whether future clinical trials, if any, will begin on time, need to be redesigned, enroll an adequate number of patients on time or be completed on schedule, if at all. Clinical trials can be delayed, suspended or terminated for a variety of reasons, including failure to:

- generate sufficient preclinical, toxicology, or other *in vivo* or *in vitro* data to support the initiation or continuation of clinical trials;
- obtain regulatory approval, or feedback on trial design, in order to commence a trial;
- identify, recruit and train suitable clinical investigators;
- reach agreement on acceptable terms with prospective CROs and clinical trial sites, and have such CROs and sites effect the proper and timely conduct of our clinical trials;
- obtain and maintain institutional review board, or IRB, approval at each clinical trial site;
- identify, recruit and enroll suitable patients to participate in a trial;
- have a sufficient number of patients complete a trial or return for post-treatment follow-up;
- ensure clinical investigators and clinical trial sites observe trial protocol or continue to participate in a trial;
- address any patient safety concerns that arise during the course of a trial;
- address any conflicts with new or existing laws or regulations;
- add a sufficient number of clinical trial sites;
- manufacture sufficient quantities at the required quality of product candidate for use in clinical trials; or
- raise sufficient capital to fund a trial.

Patient enrollment is a significant factor in the timing and success of clinical trials and is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians’ and patients’ or caregivers’ perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new drugs or treatments that may be developed or approved for the indications we are investigating.

We may also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by the trial's data safety monitoring board, by the FDA or by the applicable foreign regulatory authorities. Such authorities may suspend or terminate one or more of our clinical trials due to a number of factors, including our failure to conduct the clinical trial in accordance with relevant regulatory requirements or clinical protocols, inspection of the clinical trial operations or trial site by the FDA or foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

If we experience delays in carrying out or completing any clinical trial of our product candidates, the commercial prospects of our product candidates may be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may significantly harm our business and financial condition. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

The market opportunities for our product candidates may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.

Cancer therapies are sometimes characterized as first-line, second-line or third-line. When cancer is detected early enough, first-line therapy, often chemotherapy, hormone therapy, surgery, radiotherapy or a combination of these, is sometimes adequate to cure the cancer or prolong life. Second- and third-line therapies are administered to patients when prior therapy is not or is no longer effective. For urothelial cancers, the current first-line standard of care is surgery designed to remove one or more tumors. Chemotherapy is currently used in treating urothelial cancer only as an adjuvant, or supplemental therapy, after tumor resection. We are designing our lead product candidates with the goal of replacing surgery as the first-line standard of care for certain urothelial cancers. We intend to seek approval of MitoGel for the first-line treatment of low-grade UTUC and of VesiGel for the first-line treatment of low-grade NMIBC in both cases as a chemoablation agent to replace tumor resection surgeries. However, there is no guarantee that our product candidates, if approved, would be approved for first-line or even later lines of therapy, and, that prior to any such approvals, we will not have to conduct additional clinical trials.

Our projections of both the number of people who have the cancers we are targeting, as well as the subset of people with these cancers who have previously failed prior treatments, and who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these cancers and the number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for our product candidates may be limited or may not be amenable to treatment with our product candidates. Even if we receive regulatory approval for our product candidates and obtain significant market share, because the potential target populations are small, we may never achieve profitability without obtaining regulatory approval for additional indications, including the use of the products as first- or second-line therapy.

MitoGel or VesiGel or any of our other product candidates may produce undesirable side effects that we may not have detected in our previous preclinical studies and clinical trials. This could prevent us from gaining marketing approval or market acceptance for these product candidates, or from maintaining such approval and acceptance, and could substantially increase commercialization costs and even force us to cease operations.

As with most pharmaceutical products, use of MitoGel or VesiGel or our other product candidates may be associated with side effects or adverse events that can vary in severity and frequency. Our proprietary reverse thermal gelation hydrogel, or RTGel, which is used in the formulation of MitoGel and VesiGel, has not undergone extensive testing in humans. Side effects or adverse events associated with the use of MitoGel and VesiGel may be observed at any time, including in clinical trials or once a product is commercialized, and any such side effects or adverse events may negatively affect our ability to obtain regulatory approval or market our product candidates. To date in our clinical trials, we have observed several adverse events and serious adverse events, consisting primarily of burning sensation, rash, urgency in urination and pain during urination. These adverse events are known MMC-related adverse events and are indicated as potential side effects of MMC usage on the MMC label. However, we cannot assure you that we

will not observe additional drug-related serious adverse events in the future or that the FDA will not determine them as such. Side effects such as toxicity or other safety issues associated with the use of our product candidates could require us to perform additional studies or halt development or sale of these product candidates or expose us to product liability lawsuits, which will harm our business.

Furthermore, the commenced single pivotal Phase 3 clinical trial for MitoGel and the planned Phase 2b clinical trial for VesiGel will involve a larger patient base than that previously studied, and the commercial marketing of MitoGel and VesiGel, if approved, will further expand the clinical exposure of the drugs to a wider and more diverse group of patients than those participating in the clinical trials, which may identify undesirable side effects caused by these products that were not previously observed or reported.

The FDA and foreign regulatory agency regulations require that we report certain information about adverse medical events if our products may have caused or contributed to those adverse events. The timing of our obligation to report would be triggered by the date upon which we become aware of the adverse event as well as the nature and severity of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to appreciate that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA or a foreign regulatory agency could take action including enforcing a hold on or cessation of clinical trials, withdrawal of approved drugs from the market, criminal prosecution, the imposition of civil monetary penalties or seizure of our products.

Additionally, in the event we discover the existence of adverse medical events or side effects caused by one of our product candidates, a number of other potentially significant negative consequences could result, including:

- our inability to file an NDA or similar application for our product candidates because of insufficient risk-reward, or the denial of such application by the FDA or foreign regulatory authorities;
- the FDA or foreign regulatory authorities suspending or withdrawing their approval of the product;
- the FDA or foreign regulatory authorities requiring the addition of labeling statements, such as warnings or contraindications or distribution and use restrictions;
- the FDA or foreign regulatory authorities requiring us to issue specific communications to healthcare professionals, such as letters alerting them to new safety information about our product, changes in dosage or other important information;
- the FDA or foreign regulatory authorities issuing negative publicity regarding the affected product, including safety communications;
- our being limited respect to the safety-related claims that we can make in our marketing or promotional materials;
- our being required to change the way the product is administered, conduct additional preclinical studies or clinical trials or restrict or cease the distribution or use of the product; and
- our being sued and held liable for harm caused to patients.

Any of these events could prevent us from achieving approval or market acceptance of the affected product candidate and could substantially increase commercialization costs or even force us to cease operations. We cannot assure you that we will resolve any issues related to any product-related adverse events to the satisfaction of the FDA or any regulatory agency in a timely manner or ever, which could harm our business, prospects and financial condition.

Even if our product candidates receive marketing approval, we may continue to face future developmental and regulatory difficulties. In addition, we are subject to government regulations and we may experience delays in obtaining required regulatory approvals to market our proposed product candidates.

Even if we complete clinical testing and receive approval of any regulatory filing for our product candidates, the FDA or applicable foreign regulatory agency may grant approval contingent on the performance of additional costly post-approval clinical trials, risk mitigation requirements and surveillance requirements to monitor the safety or efficacy of the product, which could negatively impact us by reducing revenues or increasing expenses, and cause the approved product candidate not to be commercially viable. Absence of long-term safety data may further limit the approved uses of our products, if any.

The FDA or applicable foreign regulatory agency also may approve our product candidates for a more limited indication or a narrower patient population than we originally requested, or may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our product candidates. Furthermore, any such approved product will remain subject to extensive regulatory requirements, including requirements relating to manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion, distribution and recordkeeping.

If we fail to comply with the regulatory requirements of the FDA or other applicable foreign regulatory authorities, or previously unknown problems with any approved commercial products, manufacturers or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions or other setbacks, including the following:

- suspension or imposition of restrictions on operations, including costly new manufacturing requirements;
- regulatory agency refusal to approve pending applications or supplements to applications;
- suspension of any ongoing clinical trials;
- suspension or withdrawal of marketing approval;
- an injunction or imposition of civil or criminal penalties or monetary fines;
- seizure or detention of products;
- bans or restrictions on imports and exports;
- issuance of warning letters or untitled letters;
- suspension or imposition of restrictions on operations, including costly new manufacturing requirements; or
- refusal of regulatory authorities to approve pending applications or supplements to applications.

In addition, various aspects of our operations are subject to federal, state or local laws, rules and regulations, any of which may change from time to time. Costs arising out of any regulatory developments could be time-consuming and expensive and could divert management resources and attention and, consequently, could adversely affect our business, financial condition, cash flows and results of operations.

Even if our product candidates receive regulatory approval, they may fail to achieve the broad degree of physician adoption and use and market acceptance necessary for commercial success.

Even if we obtain FDA or foreign regulatory approvals for our product candidates, the commercial success of such products will depend significantly on their broad adoption and use by physicians, for approved indications, including, in the case of MitoGel, for the first-line treatment of low-grade UTUC, and in the case of VesiGel, for the first-line treatment of low-grade NMIBC, and for other therapeutic indications that we may seek to pursue with any of our product candidates. Physicians treating low-grade UTUC and low-grade NMIBC have never had to consider first-line treatments other than surgery. The degree and rate of physician and patient adoption of our product candidates, if approved, will depend on a number of factors, including:

- the clinical indications for which the product is approved;
- the prevalence and severity of adverse side effects;
- patient satisfaction with the results and administration of our product and overall treatment experience, including relative convenience, ease of use and avoidance of, or reduction in, adverse side effects;
- the extent to which physicians recommend our products to patients;
- physicians' and patients' willingness to adopt new therapies in lieu of other products or treatments, including willingness to adopt our lead product candidates as locally-administered drug replacements to current surgical standards of care;
- the cost of treatment, safety and efficacy in relation to alternative treatments, including the recurrence rate of our treatments;
- the extent to which the costs of our product candidates are reimbursed by third-party payors, and patients' willingness to pay for our products;
- whether treatment with our product candidates, including the treatment of low-grade UTUC with MitoGel and the treatment of low-grade NMIBC with VesiGel, will be deemed to be an elective procedure by third-

party payors; if so, the cost of treatment would be borne by the patient and would be less likely to be broadly adopted;
- proper training and administration of our products by physicians or nurses;
- the revenues and profitability that our products will offer physicians as compared to alternative therapies; and
- the effectiveness of our sales and marketing efforts, especially the success of any targeted marketing efforts directed toward physicians, clinics and any direct-to-consumer marketing efforts we may initiate.

If MitoGel, VesiGel or any of our other product candidates is approved for use, but fails to achieve the broad degree of physician adoption and market acceptance necessary for commercial success, our operating results and financial condition would be adversely affected.

If we are not successful in developing, receiving regulatory approval for and commercializing our preclinical and clinical product candidates other than MitoGel or VesiGel, our ability to expand our business and achieve our strategic objectives could be impaired.

Although we will devote a substantial portion of our resources on the continued clinical testing and potential approval of MitoGel for the treatment of low-grade UTUC and VesiGel for the treatment of low-grade NMIBC, another key element of our strategy is to discover, develop and commercialize a portfolio of products based on our proprietary RTGel platforms to serve additional therapeutic markets. We are seeking to do so through our internal research programs, but our resources are limited, and those that we have are geared towards clinical testing and seeking regulatory approval of MitoGel, VesiGel and our other existing product candidates. We may also explore strategic collaborations for the development or acquisition of new products, but we may not be successful in entering into such relationships. While we have commenced a single pivoted Phase 3 clinical trial for MitoGel and plan to commence a Phase 2b clinical trial for VesiGel, all of our other potential product candidates remain in the preclinical and/or early clinical stages of development. Research programs to identify product candidates require substantial technical, financial and human resources, regardless of whether any product candidates are ultimately identified. Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for many reasons, including:

- the research methodology used may not be successful in identifying potential product candidates;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- a product candidate may in a subsequent trial be shown to have harmful side effects or other characteristics that indicate it is unlikely to be effective or otherwise does not meet applicable regulatory criteria;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all;
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors, if applicable; and
- intellectual property or other proprietary rights of third parties for product candidates we develop may potentially block our entry into certain markets, or make such entry economically impracticable.

If we fail to develop and successfully commercialize other product candidates, our business and future prospects may be harmed and our business will be more vulnerable to any problems that we encounter in developing and commercializing our product candidates.

Our product candidates, if approved, will face significant competition with competing technologies and our failure to compete effectively may prevent us from achieving significant market penetration.

The biopharmaceutical industry is intensely competitive and subject to rapid and significant technological change. Our potential competitors include large and experienced companies that enjoy significant competitive advantages over us, such as greater financial, research and development, manufacturing, personnel and marketing resources, greater brand recognition and more experience and expertise in obtaining marketing approvals from the FDA and foreign regulatory authorities. These companies may develop new drugs to treat the indications that we target, or seek to have existing drugs approved for use for the treatment of the indications that we target.

We are aware that other companies, such as Merck Sharp & Dohme Corp., Viventia Bio Inc., Telesta Therapeutics Inc., Heat Biologics, Inc., Viralytics Limited, AADi, LLC, Biocancell Ltd., Halozyme Therapeutics, Inc., Astellas

Pharma Inc., Cold Genesys, Inc., Altor BioScience Corporation, FKD Therapies Oy, Nippon Kayaku Co., Ltd, Spectrum Pharmaceuticals, Inc., Taris Biomedical LLC and Handok Inc., are conducting or have recently conducted clinical trials for product candidates for the treatment of low-grade and high-grade NMIBC, including CIS. In addition, we are aware of several pharmaceutical companies that are developing drug candidates for muscle-invasive bladder cancer. On May 18, 2016, the FDA approved Tecentriq (Atezolizumab) for the treatment of patients with locally advanced or metastatic urothelial carcinoma, a form of muscle invasive bladder cancer. We do not know whether these potential competitors are already developing, or plan to develop, low-grade UTUC or high-grade UTUC treatments or treatments for other indications that we are pursuing, and we may be unable to ascertain whether such activities are underway in the future.

Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in this industry. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis products that are more effective, easier to administer or less costly than our product candidates.

In addition, we face competition from existing standards of treatment, including transurethral resection of bladder tumor, or TURBT, surgery for bladder cancer. If we are not able to demonstrate that our product candidates are at least as safe and effective as such courses of treatment, medical professionals may not adopt our product candidates in replacement of the existing standard of care, which is first-line tumor surgical procedures.

We have no experience in marketing or distributing products and no internal capability to do so, and are therefore subject to certain risks in relation to the commercialization of our product candidates once approved.

We have not yet established a commercial organization for the marketing, sale and distribution of our product candidates. Therefore, even if we receive approval to market our product candidates in the United States or other markets, in order to successfully commercialize our product candidates, we will need to either build marketing, sales, distribution, managerial and other non-technical capabilities or contract with third parties to obtain these capabilities. This involves many challenges, such as recruiting and retaining talented personnel, training employees, setting the appropriate system of incentives, managing additional headcount and integrating new business units into an existing corporate infrastructure. The development of our own sales infrastructure or contracting with third parties will involve substantial expense, much of which we will incur well in advance of any marketing or sales. Moreover, we do not have experience as a company in establishing a significant sales infrastructure, and we cannot be certain that we will successfully develop this capability or contract successfully with third parties for the necessary services. We will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain personnel for medical affairs, marketing and sales. If we fail to establish an effective sales and marketing infrastructure or contract with third parties to do so, we will be unable to successfully commercialize our product candidates, which in turn would have an adverse effect on our business, financial condition and results of operations.

We have entered into a licensing agreement and in the future may enter into collaborations with other third parties for the development or commercialization of our product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

In October 2016, we entered into the Allergan Agreement. Under the Allergan Agreement, we granted Allergan an exclusive worldwide license to research, develop, manufacture and commercialize pharmaceutical products that contain RTGel and clostridial toxins (including BOTOX), alone or in combination with certain other active ingredients, which we refer to collectively as the Licensed Products. Either party may terminate the Allergan Agreement for uncured material breach by the other party and for the insolvency of the other party. We may terminate the Allergan Agreement if Allergan or its affiliates challenges any of our patents licensed to Allergan and such patent challenge is not required under a court order or subpoena and is not a defense against a claim, action or proceeding asserted by us, our affiliates or licensees against Allergan, its affiliates or sublicensees. In addition, Allergan may unilaterally terminate the Allergan Agreement for any reason upon advance notice. If Allergan has the right to terminate the Allergan Agreement due to our uncured material breach, Allergan may elect to continue the agreement and reduce all future milestone and royalty payment obligations to us by a specified percentage. In the event of any termination of the Allergan Agreement, Allergan will assign or grant a right of reference to any regulatory documentation related to RTGel to us, all rights and licenses to Allergan will terminate, and the license Allergan granted to us under their improvements to RTGel will continue. If any of these events occurs, we will not be able to

obtain, or may be delayed in obtaining, marketing approvals for the Licensed Products and will not be able to, or may be delayed in our efforts to, successfully commercialize the Licensed Products, and our business will be harmed.

We may utilize a variety of types of collaboration, distribution and other marketing arrangements with third parties to develop our product candidates and commercialize our approved product candidates, if any. We are not currently party to any such arrangement. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities and efforts to successfully perform the functions assigned to them in these arrangements.

Our existing collaboration with Allergan and any future collaborations that we enter into, may pose a number of risks, including the following:

- collaborators have significant discretion in determining the amount and timing of efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- product candidates developed by collaborators may not perform sufficiently in clinical trials to be determined to be safe and effective, thereby delaying or terminating the drug approval process and reducing or eliminating milestone payments to which we would otherwise be entitled if the product candidates had successfully met their endpoints and/or received FDA approval;
- collaborators may not pursue development and commercialization of our product candidates that receive marketing approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;
- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product or products;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would divert management attention and resources, be time-consuming and expensive;
- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and
- collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner, or at all. If the Allergan Agreement, and any future collaborations that we enter into, do not result in the successful development and commercialization of products or if one of our collaborators terminates its

agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of our product candidates could be delayed and we may need additional resources to develop our product candidates. All of the risks relating to product development, regulatory approval and commercialization described in this prospectus also apply to the activities of our collaborators.

Additionally, subject to its contractual obligations to us, if a collaborator of ours were to be involved in a business combination, it might deemphasize or terminate the development or commercialization of any product candidate licensed to it by us. If one of our collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators and our perception in the business and financial communities could be harmed.

If in the future we acquire or in-license technologies or product candidates, we may incur various costs, may have integration difficulties and may experience other risks that could harm our business and results of operations.

In the future, we may acquire or in-license additional product candidates and technologies. Any product candidate or technologies we in-license or acquire will likely require additional development efforts prior to commercial sale, including extensive preclinical or clinical testing, or both, and approval by the FDA and applicable foreign regulatory authorities, if any. All product candidates are prone to risks of failure inherent in pharmaceutical product development, including the possibility that the product candidate, or product developed based on in-licensed technology, will not be shown to be sufficiently safe and effective for approval by regulatory authorities. If intellectual property related to product candidates or technologies we in-license is not adequate, we may not be able to commercialize the affected products even after expending resources on their development. In addition, we may not be able to manufacture economically or successfully commercialize any product candidate that we develop based on acquired or in-licensed technology that is granted regulatory approval, and such products may not gain wide acceptance or be competitive in the marketplace. Moreover, integrating any newly acquired or in-licensed product candidates could be expensive and time-consuming. If we cannot effectively manage these aspects of our business strategy, our business may be materially harmed.

We currently contract with third-party subcontractors and single-source suppliers for certain raw materials, compounds and components necessary to produce MitoGel, VesiGel and Vesimune for preclinical studies and clinical trials, and expect to continue to do so to support commercial scale production of MitoGel, VesiGel and Vesimune, if approved. There are significant risks associated with contracting with single-source suppliers. Furthermore, our existing third-party subcontractors and single-source suppliers may not be able to meet the increased need for certain raw materials, compounds and components that may result from our potential commercialization efforts. This increases the risk that we will not have sufficient quantities of MitoGel, VesiGel or Vesimune or be able to obtain such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We currently rely on third party subcontractors and suppliers for certain compounds and components necessary to produce MitoGel, VesiGel and Vesimune for our preclinical studies and clinical trials. We currently depend on a single source for MMC for MitoGel and VesiGel. We also currently depend on single sources for the gel contained in MitoGel and VesiGel, and Imiquimod for Vesimune. Because there are a limited number of suppliers for the raw materials that we use to manufacture our product candidates, we may need to engage alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our product candidates for our clinical trials, and if approved, ultimately for commercial sale. We do not have any control over the availability of raw materials. If we or our manufacturers are unable to purchase these raw materials on acceptable terms, at sufficient quality levels, or in adequate quantities, if at all, the development and commercialization of our product candidates or any future product candidates, would be delayed or there would be a shortage in supply, which would impair our ability to meet our development objectives for our product candidates or generate revenues from the sale of any approved products.

We expect to continue to rely on these or other subcontractors and suppliers to support our commercial requirements if MitoGel, VesiGel or any of our other product candidates is approved for marketing by the FDA or foreign regulatory authorities. Even if we establish ourselves as an approved commercial supplier of MMC, we plan to continue to rely on third parties for such production of MMC, as well as for the raw materials, compounds and components necessary to produce our product candidates and for preclinical studies and clinical trials. We would expect that if we become a commercial supplier of MMC, through a third party manufacturer of MMC, it would provide us with enhanced

control of material supply for both clinical trials and the commercial market, enable the more rapid implementation of process changes, and allow for better long-term margins. However, we have no experience as a company in the commercial supply of drugs and may never be successful in commercial supplier of MMC.

Even if we are successful in being approved as a commercial supplier of MMC, cost-overruns, unexpected delays, equipment failures, labor shortages, natural disasters, power failures, production failures or product recalls, and numerous other factors could prevent us from realizing the intended benefits of our sales strategy and have a material adverse effect on our business. Further, establishing ourselves as a commercial supplier of MMC will require additional investment, will be time-consuming and may be subject to delays, including because of shortage of labor, compliance with regulatory requirements or receipt of necessary regulatory approvals. In addition, building out our MMC commercial supply capabilities may cost more than we currently anticipate, and delays or problems may adversely impact our ability to provide supply for the development and commercialization of our product candidates as well as our financial condition.

Our continuing reliance on third party subcontractors and suppliers entails a number of risks, including reliance on the third party for regulatory compliance and quality assurance, the possible breach of the manufacturing or supply agreement by the third party, and the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us. In addition, third party subcontractors and suppliers may not be able to comply with cGMP or quality system regulation, also called QSR, or similar regulatory requirements outside the United States. If any of these risks transpire, we may be unable to timely retain alternate subcontractors or suppliers on acceptable terms and with sufficient quality standards and production capacity, which may disrupt and delay our clinical trials or the manufacture and commercial sale of our product candidates, if approved.

Our failure or the failure of our third-party subcontractors and suppliers to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of MitoGel, VesiGel or any of our other product candidates that we may develop. Any failure or refusal to supply or any interruption in supply of the components for MitoGel, VesiGel or any other product candidates or products that we may develop could delay, prevent or impair our clinical development or commercialization efforts.

Failure to obtain marketing approval in international jurisdictions would prevent our product candidates from being marketed abroad.

In order to market and sell our products in the European Union and other jurisdictions, we or our third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. Regulatory approval processes outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may not be able to file for marketing approvals and may not receive the necessary approvals to commercialize our product candidates in any particular market.

We intend to rely on third parties and consultants to assist us in conducting our single pivotal Phase 3 clinical trial for MitoGel, our Phase 2b clinical trial for VesiGel and certain clinical trials for our other product candidates. If these third parties or consultants do not successfully carry out their contractual duties or meet expected deadlines, we may be unable to obtain regulatory approval for or commercialize MitoGel, VesiGel or any of our other product candidates.

We do not have the ability to independently conduct many of our preclinical studies or our clinical trials. We rely on medical institutions, clinical investigators, contract laboratories, and other third parties, such as CROs to conduct clinical trials on our product candidates. Third parties play a significant role in the conduct of our clinical trials and the subsequent collection and analysis of data. These third parties are not our employees, and except for remedies

available to us under our agreements, we have limited ability to control the amount or timing of resources that any such third party will devote to our clinical trials. Due to the limited drug development for non-muscle invasive urothelial cancers over the past 15 years, neither we nor any third-party clinical investigators, CROs and/or consultants are likely to have extensive experience conducting clinical trials for the indications we are targeting. If our CROs or any other third parties upon which we rely for administration and conduct of our clinical trials do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements, or for other reasons, or if they otherwise perform in a substandard manner, our clinical trials may be extended, delayed, suspended or terminated, and we may not be able to complete development of, obtain regulatory approval for, or successfully commercialize our product candidates.

We and the third parties upon whom we rely are required to comply with Good Clinical Practice, or GCP, regulations, which are regulations and guidelines enforced by regulatory authorities around the world for products in clinical development. Regulatory authorities enforce these GCP regulations through periodic inspections of clinical trial sponsors, principal investigators and clinical trial sites. If we or our third parties fail to comply with applicable GCP regulations, the clinical data generated in our clinical trials may be deemed unreliable and our submission of marketing applications may be delayed or the regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, a regulatory authority will determine that any of our clinical trials comply or complied with applicable GCP regulations. In addition, our clinical trials must be conducted with material produced under current cGMP regulations, which are enforced by regulatory authorities. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be impacted if our CROs, clinical investigators or other third parties violate federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

In order for our clinical trials to be carried out effectively and efficiently, it is imperative that our CROs and other third parties communicate and coordinate with one another. Moreover, our CROs and other third parties may also have relationships with other commercial entities, some of which may compete with us. Our CROs and other third parties may terminate their agreements with us upon as few as 30 days' notice under certain circumstances. If our CROs or other third parties conducting our clinical trials do not perform their contractual duties or obligations, experience work stoppages, do not meet expected deadlines, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical trial protocols or GCPs, or for any other reason, we may need to conduct additional clinical trials or enter into new arrangements with alternative CROs, clinical investigators or other third parties. We may be unable to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. Switching or adding CROs, clinical investigators or other third parties can involve substantial cost and require extensive management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays may occur, which can impact our ability to meet our desired clinical development timelines. Although we carefully manage our relationship with our CROs, clinical investigators and other third parties, there can be no assurance that we will not encounter such challenges or delays in the future or that these delays or challenges will not have a negative impact on our business, prospects, financial condition or results of operations

Our ability to market our product candidates, if approved, will be limited to certain indications. If we want to expand the indications for which we may market our products, we will need to obtain additional regulatory approvals, which may not be granted.

We are currently developing MitoGel for the treatment of low-grade UTUC, and VesiGel and Vesimune for the treatment of bladder cancer. The FDA and other applicable regulatory agencies will restrict our ability to market or advertise our products to the scope of the approved label for the applicable product and for no other indications, which could limit physician and patient adoption. We may attempt to develop and, if approved, promote and commercialize new treatment indications for our products in the future, but we cannot predict when or if we will receive the regulatory approvals required to do so. Failure to receive such approvals will prevent us from promoting or commercializing new treatment indications. In addition, we would be required to conduct additional clinical trials or studies to support approvals for additional indications, which would be time consuming and expensive, and may produce results that do not support regulatory approvals. If we do not obtain additional regulatory approvals, our ability to expand our business will be limited.

If our product candidates are approved for marketing, and we are found to have improperly promoted off-label uses, or if physicians misuse our products, we may become subject to prohibitions on the sale or marketing of our products, significant sanctions, product liability claims, and our image and reputation within the industry and marketplace could be harmed.

The FDA and other regulatory agencies strictly regulate the marketing and promotional claims that are made about drug products. In particular, a product may not be promoted for uses or indications that are not approved by the FDA or such other regulatory agencies as reflected in the product's approved labeling. For example, if we receive marketing approval for MitoGel for treatment of low-grade UTUC, the first indication we are pursuing, we cannot promote the use of our product in a manner that is inconsistent with the approved label. However, physicians are able, in their independent medical judgment, to use MitoGel on their patients in an off-label manner, such as for the treatment of other urology indications. If we are found to have promoted such off-label uses, we may receive warning letters and become subject to significant liability, which would harm our business. The federal government has levied large administrative, civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. If we become the target of such an investigation or prosecution based on our marketing and promotional practices, we could face similar sanctions, which would harm our business. In addition, management's attention could be diverted from our business operations, significant legal expenses could be incurred, and our reputation could be damaged. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we are deemed by the FDA to have engaged in the promotion of our products for off-label use, we could be subject to prohibitions on the sale or marketing of our products or significant fines and penalties, and the imposition of these sanctions could also affect our reputation with physicians, patients and caregivers, and our position within the industry.

Physicians may also misuse our products or use improper techniques, potentially leading to adverse results, side effects or injury, which may lead to product liability claims. If our products are misused or used with improper technique, we may become subject to costly litigation. Product liability claims could divert management's attention from our core business, be expensive to defend, and result in sizable damage awards against us that may not be covered by insurance. We currently carry product liability insurance covering our clinical trials with policy limits that we believe are customary for similarly situated companies and adequate to provide us with coverage for foreseeable risks. 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. Furthermore, the use of our products for conditions other than those approved by the FDA may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients.

If we fail to manage our growth effectively, our business could be disrupted.

As of December 31, 2016, we had 29 full-time employees and four part-time employees, of which all except two are based in Israel. We will need to continue to expand our development, quality, sales, managerial, operational, finance, marketing and other resources to manage our operations and clinical trials, continue our development activities and commercialize our product candidates, if approved. Our management, personnel, systems and facilities currently in place may not be adequate to support this future growth. Our need to effectively execute our expansion strategy requires that we:

- manage our clinical trials effectively;
- identify, recruit, retain, incentivize and integrate additional employees;
- manage our internal development efforts effectively while carrying out our contractual obligations to third parties; and
- continue to improve our operational, financial and management controls, reporting systems and procedures.

Due to our limited financial resources and our limited experience in managing a larger company, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage expansion could delay the execution of our development and strategic objectives, or disrupt our operations; and if we are not successful in commercializing our product candidates, either on our own

or through collaborations with one or more third parties, our revenues will suffer and we would incur significant additional losses.

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

We face an inherent risk of product liability as a result of the clinical testing of our product candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if any product 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 our products. Even a successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our product candidates or products we develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants or cancellation of clinical trials;
- costs to defend the related litigation, which may be only partially recoverable even in the event of successful defenses;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- regulatory investigations, product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues;
- exhaustion of any available insurance and our capital resources; and
- the inability to commercialize any product we develop.

Our inability to obtain and maintain sufficient product liability insurance at an acceptable cost and scope of coverage to protect against potential product liability claims could prevent or inhibit the commercialization of products we may develop. We currently carry general clinical trial product liability insurance in an amount that we believe is adequate to cover the scope of our ongoing clinical programs. 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 deductibles, and we may be subject to a product liability claim for which we have no coverage. We will 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. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. If and when we obtain approval for marketing MitoGel, VesiGel or any other product candidate, we intend to expand our insurance coverage to include the commercialization of MitoGel, VesiGel or any other approved product that we may have; however, we may be unable to obtain this liability insurance on commercially reasonable terms.

If we fail to attract and keep senior management and key scientific personnel, we may be unable to successfully develop our product candidates, conduct our clinical trials and commercialize any of the products we develop.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We believe that our future success is highly dependent upon the contributions of members of our senior management, as well as our senior scientists and other members of our management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, completion of our planned clinical trials or the commercialization of our product candidates.

Although we have not historically experienced unique difficulties in attracting and retaining qualified employees, we could experience such problems in the future. For example, competition for qualified personnel in the pharmaceutical field is intense due to the limited number of individuals who possess the skills and experience required by our industry. We will need to hire additional personnel as we expand our clinical development and

commercial activities. We may not be able to attract and retain quality personnel on acceptable terms, or at all. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output. Moreover, although we have established a U.S. subsidiary, we are domiciled in Israel and are predominantly based in Israel, which may make it difficult to hire necessary U.S.-based personnel.

Our internal computer systems, or those of our CROs or other contractors or consultants, may fail or suffer security breaches, which could result in a disruption of our drug development programs.

Despite the implementation of security measures, our internal computer systems and those of our CROs and other contractors and consultants are vulnerable to damage from cyber-security threats, including computer viruses, harmful code and unauthorized access, natural disasters, fire, terrorism, war and telecommunication and electrical failures. If a disruption 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, 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 results in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our product candidates could be delayed.

Under applicable employment laws, we may not be able to enforce covenants not to compete.

We generally enter into non-competition agreements as part of our employment agreements with our employees. These agreements generally prohibit our employees, if they cease working for us, from competing directly with us or working for our competitors or clients for a limited period. We may be unable to enforce these agreements under the laws of the jurisdictions in which our employees work and it may be difficult for us to restrict our competitors from benefitting from the expertise our former employees or consultants developed while working for us.

For example, Israeli labor courts have required employers seeking to enforce non-compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer which have been recognized by the courts as justification for the enforcement of non-compete undertakings, such as the protection of a company's trade secrets or other intellectual property.

Our employees, independent contractors, clinical investigators, CROs, consultants and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading.

We are exposed to the risk that our employees, independent contractors, clinical investigators, CROs, consultants and vendors may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct, breach of contract or disclosure of unauthorized activities to us that violates: FDA regulations, including those laws requiring the reporting of true, complete and accurate information to the FDA; manufacturing standards; federal, state and foreign healthcare fraud and abuse laws; or laws that require the reporting of financial information or data accurately.

Specifically, research, sales, marketing, education and other business arrangements in the healthcare industry are subject to extensive laws intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws may restrict or prohibit a wide range of pricing, discounting, education, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws 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 business conduct and ethics, but it is not always possible to identify and deter misconduct by 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 be in compliance with such laws. If any such actions are instituted against us, even if we are successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business. Violations of such laws subject us to numerous penalties, including, but not limited to, the imposition of civil, criminal and administrative penalties, damages, monetary fines, disgorgement, individual imprisonment, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, possible exclusion from participation in Medicare, Medicaid and other federal healthcare

programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Our business involves the use of hazardous materials and we and our third party manufacturers and suppliers must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

Our research and development activities and our third party subcontractors' and suppliers' activities involve the controlled storage, use and disposal of hazardous materials owned by us, including Mitomycin C, or MMC, key components of our product candidates, and other hazardous compounds. We and our manufacturers and suppliers are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. Despite our efforts, we cannot eliminate the risk of contamination. This could cause an interruption of our commercialization efforts and business operations, environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. Although we believe that the safety procedures utilized by us and our subcontractors and suppliers for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, we cannot guarantee that this is the case or eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources and state or federal or other applicable authorities may curtail our use of certain materials and interrupt our business operations.

Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance.

Exchange rate fluctuations between the U.S. Dollar and the New Israeli Shekel may negatively affect our earnings.

The U.S. dollar is our functional and reporting currency. However, a significant portion of our operating expenses are incurred in New Israeli Shekels, or NIS, which is the lawful currency of the State of Israel. As a result, we are exposed to the risks that the NIS may appreciate relative to the dollar, or, if the NIS instead devalues relative to the dollar, that the inflation rate in Israel may exceed such rate of devaluation of the NIS, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the dollar cost of our operations in Israel would increase and our dollar-denominated results of operations would be adversely affected. We cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation (if any) of the NIS against the dollar. For example, although the dollar appreciated against the NIS in 2015 by 0.3%, the level of devaluation of the dollar against the NIS in 2016 was 1.5%. If the dollar cost of our operations in Israel increases, our dollar-measured results of operations will be adversely affected.

Risks Related to Our Intellectual Property

If our efforts to obtain, protect or enforce our patents and other intellectual property rights related to our product candidates and technologies are not adequate, we may not be able to compete effectively and we otherwise may be harmed.

Our commercial success depends in part upon our ability to obtain and maintain patent protection and utilize trade secret protection for our intellectual property and proprietary technologies, our products and their uses, as well as our ability to operate without infringing upon the proprietary rights of others. We rely upon a combination of patents, trade secret protection and confidentiality agreements, assignment of invention agreements and other contractual arrangements to protect the intellectual property related to hydrogel-based pharmaceutical compositions for optimal delivery of a drug in internal cavities such as the bladder, the method for treating urothelial cancer using hydrogel-based compositions, the method for treating overactive bladder topically without the need for injections, an in-dwelling ureter catheter system for optimal delivery of a drug into the renal cavity, and pharmaceutical compositions comprising an imidazoquinolin (amine) and lactic acid for use in a method for the treatment of bladder diseases.

We seek patent protection for all of our product candidates, and we have established several patent families comprised of issued patents and pending patent applications covering our proprietary RTGel formulation technology and the formulations, methods of use and manufacturing aspects of our product candidates. In the United States, we currently have three granted patents related to methods, systems and compositions for treating bladder cancer and upper urinary tract system conditions that relate to our lead product candidates MitoGel and VesiGel and one patent related to our RTGel formulation, which are expected to remain in effect until between 2024 and 2031. We also have nine pending patent applications relating to the product candidates MitoGel and VesiGel in Europe, the

United States and Israel, and five pending patent applications relating to the product candidate BotuGel in the United States and the European Union, as well as in each of Russia, China and Israel. In addition, we have two granted patents related to Vesimune in the United States as well as two granted patents in the European Union, two granted patents in Japan and one granted patent in each of Australia, Mexico and China, Brazil, Eurasia, and Hong Kong, each of which is expected to remain in effect until 2030. In addition to the issued patents mentioned above, our portfolio includes pending patent applications relating to Vesimune in the United States, Hong Kong, the European Union, Canada, Korea, Brazil and Israel. Moreover, we hold five granted patents in the United States as well as patent applications filed worldwide that relate to novel formulations of phospholipid drug analogs (saturated lipid conjugate compositions) for the treatment of urinary tract cancer.

Limitations on the scope of our intellectual property rights may limit our ability to prevent third parties from designing around such rights and competing against us. For example, our patents do not claim a new compound. Rather, the active pharmaceutical ingredients of our products are existing compounds and our granted patents and pending patent applications are directed to, among other things, novel formulations of these existing compounds with our RTGel. Accordingly, other parties may compete with us, for example, by independently developing or obtaining competing topical formulations that design around our patent claims, but which may contain the same active ingredients, or by seeking to invalidate our patents. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, eroding our competitive position in the market.

However, the patent applications that we own or license may fail to result in granted patents in the United States or foreign jurisdictions, or if granted may fail to prevent a potential infringer from marketing its product or be deemed invalid and unenforceable by a court. Competitors in the field of reverse thermal gel therapies have created a substantial amount of scientific publications, patents and patent applications and other materials relating to their technologies. Our ability to obtain and maintain valid and enforceable patents depends on various factors, including interpretation of our technology and the prior art and whether the differences between them allow our technology to be patentable. Patent applications and patents granted from them are complex, lengthy and highly technical documents that are often prepared under very limited time constraints and may not be free from errors that make their interpretation uncertain. The existence of errors in a patent may have an adverse effect on the patent, its scope and its enforceability. Our pending patent applications may not issue, and the scope of the claims of patent applications that do issue may be too narrow to adequately protect our competitive advantage. Also, our granted patents may be subject to challenges or narrowly construed and may not provide adequate protection.

We may be subject to claims that we infringe, misappropriate or otherwise violate the intellectual property rights of third parties.

Even if our patents do successfully issue, third parties may challenge the validity, enforceability or scope of such granted patents or any other granted patents we own or license, which may result in such patents being narrowed, invalidated or held unenforceable. For example, patents granted by the European Patent Office may be opposed by any person within nine months from the publication of their grant. Also, patents granted by the United States Patent and Trademark Office, or USPTO, may be subject to reexamination and other challenges.

Furthermore, even if they are not challenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. To meet such challenges, which are part of the risks and uncertainties of developing and marketing product candidates, we may need to evaluate third party intellectual property rights and, if appropriate, to seek licenses for such third party intellectual property or to challenge such third party intellectual property, which may be costly and may or may not be successful, which could also have an adverse effect on the commercial potential for MitoGel, VesiGel and any of our product candidates.

We may receive only limited protection, or no protection, from our issued patents and patent applications.

If we encounter delays in our clinical trials or regulatory approval of our product candidates, the period of time during which we could market any of our product candidates under patent protection could be reduced. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we were the first to either (i) file any patent application related to hydrogel-based pharmaceutical compositions for optimal delivery of a drug in internal cavities such as the bladder, the method for treating urothelial cancer using hydrogel-based compositions, the method for treating overactive bladder topically

without the need for injections, an in-dwelling ureter catheter system for optimal delivery of a drug into the renal cavity, and pharmaceutical compositions comprising an imidazoquinolin (amine) and lactic acid for use in a method for the treatment of bladder diseases or any of our product candidates or (ii) conceive and invent any of the inventions claimed in our patents or patent applications.

The patent application process, also known as patent prosecution, is expensive and time consuming, and we and or any future licensors and licensees may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or any future licensors or licensees will fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, these and any of our patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. It is possible that defects of form in the preparation or filing of our patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, etc., although we are unaware of any such defects that we believe are of material import. If we or any future licensors or licensees fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If any future licensors or licensees, are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form or preparation of our patents or patent applications, such patents or applications may be invalid and unenforceable. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

The strength of patents in the pharmaceutical field involves complex legal and scientific questions and can be uncertain. This uncertainty includes changes to the patent laws through either legislative action to change statutory patent law or court action that may reinterpret existing law in ways affecting the scope or validity of issued patents. The patent applications that we own or in-license may fail to result in issued patents in the United States or foreign countries with claims that cover our product candidates. Even if patents do successfully issue from the patent applications that we own or in-license, third parties may challenge the validity, enforceability or scope of such patents, which may result in such patents being narrowed, invalidated or held unenforceable. For example, patents granted by the European Patent Office may be challenged, also known as opposed, by any person within nine months from the publication of their grant. Any successful challenge to our patents could deprive us of exclusive rights necessary for the successful commercialization of our product candidates. Furthermore, even if they are unchallenged, our patents may not adequately protect our product candidates, provide exclusivity for our product candidates, or prevent others from designing around our claims. If the breadth or strength of protection provided by the patents we hold or pursue with respect to our product candidates is challenged, it could dissuade companies from collaborating with us to develop, or threaten our ability to commercialize our product candidates.

Patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however the life of a patent, and the protection it affords, is limited. Without patent protection for our product candidates, we may be open to competition from generic versions of our product candidates. Further, if we encounter delays in our development efforts, including our clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced.

A considerable number of our patents and patent applications are entitled to effective filing dates prior to March 16, 2013. For U.S. patent applications in which patent claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third party, for example a competitor, or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by those patent claims. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our participation in an interference proceeding may fail and, even if successful, may result in substantial costs and distract our management.

Our trade secrets may not have sufficient intellectual property protection.

In addition to the protection afforded by patents, we also rely on trade secret protection to protect proprietary know-how that may not be patentable or that we elect not to patent, processes for which patents may be difficult to obtain or enforce, and any other elements of our product candidates, and our product development processes (such as a

manufacturing and formulation technologies) that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can be difficult to protect. If the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating any trade secrets. Misappropriation or unauthorized disclosure of our trade secrets could significantly affect our competitive position and may have an adverse effect on our business. Furthermore, trade secret protection does not prevent competitors from independently developing substantially equivalent information and techniques and we cannot guarantee that our competitors will not independently develop substantially equivalent information and techniques. The FDA, as part of its Transparency Initiative, 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.

In an effort to protect our trade secrets and other confidential information, we require our employees, consultants, advisors, and any other third parties that have access to our proprietary know-how, information or technology, for example, third parties involved in the formulation and manufacture of our product candidates, and third parties involved in our clinical trials to execute confidentiality agreements upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us is kept confidential and not disclosed to third parties. However, we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed despite having such confidentiality agreements. Adequate remedies may not exist in the event of unauthorized use or disclosure of our trade secrets. In addition, in some situations, these confidentiality agreements may conflict with, or be subject to, the rights of third parties with whom our employees, consultants, or advisors have previous employment or consulting relationships. To the extent that our employees, consultants or contractors use any intellectual property owned by third parties in their work for us, disputes may arise as to the rights in any related or resulting know-how and inventions. If we are unable to prevent unauthorized material disclosure of our trade secrets to third parties, we may not be able to establish or maintain a competitive advantage in our market, which could harm our business, operating results and financial condition.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other pharmaceutical companies, our success is heavily dependent on intellectual property, particularly on obtaining and enforcing patents. Obtaining and enforcing patents in the pharmaceutical industry involves both technological and legal complexity, and therefore, is costly, time-consuming and inherently uncertain. In addition, the United States has recently enacted and is currently implementing wide-ranging patent reform legislation. Further, recent U.S. Supreme Court rulings have either narrowed the scope of patent protection available in certain circumstances or weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained.

For our U.S. patent applications containing a claim not entitled to priority before March 16, 2013, there is a greater level of uncertainty in the patent law. In September 2011, the Leahy-Smith America Invents Act, or the American Invents Act, or AIA, was signed into law. The AIA includes a number of significant changes to U.S. patent law, including provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The USPTO is currently developing regulations and procedures to govern administration of the AIA, and many of the substantive changes to patent law associated with the AIA. It is not clear what other, if any, impact the AIA will have on the operation of our business. Moreover, the AIA and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could harm our business and financial condition.

An important change introduced by the AIA is that, as of March 16, 2013, the United States transitioned to a "first-to-file" system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention. A third party that files a patent application in the USPTO after that date but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by the third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Furthermore, our ability to obtain and maintain valid and enforceable

patents depends on whether the differences between our technology and the prior art allow our technology to be patentable over the prior art. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications.

Among some of the other changes introduced by the AIA are changes that limit where a patentee may file a patent infringement suit and provide opportunities for third parties to challenge any issued patent in the USPTO. This applies to all of our U.S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal court necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action.

Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

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 non-compliance with these requirements.

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 prosecution process.

Periodic maintenance fees and various other governmental fees on any issued patent and/or pending patent applications are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of a patent or patent application. We have systems in place to remind us to pay these fees, and we employ an outside firm and rely on our outside counsel to pay these fees. While an inadvertent lapse may sometimes be cured by payment of a late fee or by other means in accordance with the applicable rules, there are many situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we fail to maintain the patents and patent applications directed to our product candidates, our competitors might be able to enter the market earlier than should otherwise have been the case, which could harm our business.

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

Filing, prosecuting and defending patents on our product candidates in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly developing countries. For example, unlike other countries, China has a heightened requirement for patentability, and specifically requires a detailed description of medical uses of a claimed drug. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement on infringing activities is inadequate. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to pharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally.

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, could put our patents at risk of being invalidated or

interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, certain countries in Europe and certain developing countries, including India and China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if our patents are infringed or if we are compelled to grant a license to our patents to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license. Finally, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

If we are unable to protect our trademarks from infringement, our business prospects may be harmed.

We own trademarks that identify MitoGel, VesiGel and Vesimune and have registered these trademarks in the United States and Israel. Although we take steps to monitor the possible infringement or misuse of our trademarks, it is possible that third parties may infringe, dilute or otherwise violate our trademark rights. Any unauthorized use of our trademarks could harm our reputation or commercial interests. In addition, our enforcement against third-party infringers or violators may be unduly expensive and time-consuming, and the outcome may be an inadequate remedy.

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

Third parties may infringe or misappropriate our intellectual property, including our existing patents, patents that may issue to us in the future, or the patents of our licensors to which we have a license. As a result, we may be required to file infringement claims to stop third-party infringement or unauthorized use. Further, we may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States.

Generic drug manufacturers may develop, seek approval for, and launch generic versions of our products. If we file an infringement action against such a generic drug manufacturer, that company may challenge the scope, validity or enforceability of our or our licensors' patents, requiring us and/or our licensors to engage in complex, lengthy and costly litigation or other proceedings.

For example, if we or one of our licensors initiated legal proceedings against a third party to enforce a patent covering our product candidates, the defendant could counterclaim that the patent covering our product candidates is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent.

In addition, within and outside of the United States, there has been a substantial amount of litigation and administrative proceedings, including interference and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in various foreign jurisdictions, regarding patent and other intellectual property rights in the pharmaceutical industry. Recently, the AIA introduced new procedures including *inter partes* review and post grant review. The implementation of these procedures brings uncertainty to the possibility of challenges to our patents in the future, including those that patents perceived by our competitors as blocking entry into the market for their products, and the outcome of such challenges.

Such litigation and administrative proceedings could result in revocation of our patents or amendment of our patents such that they do not cover our product candidates. They may also put our pending patent applications at risk of not issuing, or issuing with limited and potentially inadequate scope to cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. Additionally, it is also possible that prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim, may, nonetheless, ultimately be found by a court of law or an administration panel to affect the validity or enforceability of a claim. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection could have a negative impact on our business.

Enforcing our or our licensor's intellectual property rights through litigation is very expensive, particularly for a company of our size, and time-consuming. Some of our competitors may be able to sustain the costs of litigation more effectively than we can because of greater financial resources. Patent litigation and other proceedings may also absorb significant management time.

Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could harm our business, financial condition or results of operations.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. In addition, during the course of litigation or administrative proceedings, there could be public announcements of the results of hearings, motions or other interim proceedings or developments or public access to related documents. If investors perceive these results to be negative, the market price for our ordinary shares could be significantly harmed.

We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and adversely affect our business.

A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patent Law, 5727-1967, or the Patent Law, inventions conceived by an employee during the scope of his or her employment with a company are regarded as "service inventions." The Israeli Compensation and Royalties Committee, or the Committee, a body constituted under the Patent Law, has previously held, in certain cases, that employees may be entitled to remuneration for service inventions that they develop during their service for a company despite their explicit waiver of such right. Therefore, although we enter into agreements with all of our employees pursuant to which they waive their right to special remuneration for service inventions created in the scope of their employment or engagement and agree that any such inventions are owned exclusively by us, we may face claims by employees demanding remuneration beyond their regular salary and benefits.

Third party claims alleging intellectual property infringement may adversely affect our business.

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties, for example, the intellectual property rights of competitors. Our research, development and commercialization activities may be subject to claims that we infringe or otherwise violate patents owned or controlled by third parties. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our activities related to our product candidates may give rise to claims of infringement of the patent rights of others. We cannot assure you that our product candidates will not infringe existing or future patents. We may not be aware of patents that have already issued that a third party might assert are infringed by our product candidates. It is also possible that patents of which we are aware, but which we do not believe are relevant to our product candidates, could nevertheless be found to be infringed by our product candidates. Nevertheless, we are not aware of any issued patents that we believe would prevent us from marketing our product candidates, if approved. There may also be patent applications that have been filed but not published that, when issued as patents, could be asserted against us.

Third parties making claims against us for infringement or misappropriation of their intellectual property rights may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. Further, if a patent infringement suit were brought against us, we could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit. Defense of these claims, regardless of their merit, would cause us to incur substantial expenses and, and would be a substantial diversion of management time and employee resources from our business. In the event of a successful claim of infringement against us by a third party, we may have to (i) pay substantial damages, including treble damages and attorneys' fees if we are found to have willfully infringed the third party's patents; (ii) obtain one or more licenses from the third party; (iii) pay royalties to the third party; and/or (iv) redesign any infringing products. Redesigning any infringing products may be impossible or require substantial time and monetary expenditure. Further, we cannot predict whether any required license would be available at all or whether it would be

available on commercially reasonable terms. In the event that we could not obtain a license, we may be unable to further develop and commercialize our product candidates, which could harm our business significantly. Even if we are able to obtain a license, the license would likely obligate us to pay license fees or royalties or both, and the rights granted to us might be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on acceptable terms.

Defending ourselves or our licensors in litigation is very expensive, particularly for a company of our size, and time-consuming. Some of our competitors may be able to sustain the costs of litigation or administrative proceedings more effectively than we can because of greater financial resources. Patent litigation and other proceedings may also absorb significant management time. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could harm our business, financial condition or results of operations.

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

We employ individuals who were previously employed at other biotechnology or pharmaceutical companies. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise improperly used or disclosed confidential information of these third parties or our employees' former employers. Further, we may be subject to ownership disputes in the future arising, for example, from conflicting obligations of consultants or others who are involved in developing our product candidates. We may also be subject to claims that former employees, consultants, independent contractors, collaborators or other third parties have an ownership interest in our patents or other intellectual property. Litigation may be necessary to defend against these and other claims challenging our right to and use of confidential and proprietary information. If we fail in defending any such claims, in addition to paying monetary damages, we may lose our rights therein. Such an outcome could have a negative impact on our business. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management and employees.

Risks Related to Government Regulation

If the FDA does not conclude that MitoGel, VesiGel, or our other product candidates satisfy the requirements under Section 505(b)(2) of the Federal Food Drug and Cosmetic Act, or Section 505(b)(2), or if the requirements for such product candidates are not as we expect, the approval pathway for these product candidates will likely take significantly longer, cost significantly more and entail significantly greater complications and risks than anticipated, and in either case may not be successful.

We commenced a single pivotal Phase 3 clinical trial for MitoGel and expect to commence a Phase 2b clinical trial of VesiGel under the FDA's 505(b)(2) regulatory pathway. The Drug Price Competition and Patent Term Restoration Act of 1984, also known as the Hatch-Waxman Act, added Section 505(b)(2) to the Federal Food, Drug and Cosmetic Act. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies that were not conducted by or for the applicant, and for which the applicant has not received a right of reference, which could expedite the development program for MitoGel, VesiGel and our other product candidates by potentially decreasing the amount of preclinical and clinical data that we would need to generate in order to obtain FDA approval. However, while we believe that our product candidates are reformulations of existing drugs or biologics and, therefore, will not be treated as new chemical entity, or NCEs, the submission of an NDA under the Section 505(b)(2) or similar regulatory pathway does not preclude the FDA from determining that the product candidate that is the subject of such submission is an NCE and therefore not eligible for review under such regulatory pathway.

If the FDA does not allow us to pursue the Section 505(b)(2) or similar regulatory pathway as anticipated, we may need to conduct additional preclinical experiments and clinical trials, provide additional data and information, and meet additional standards for regulatory approval. If this were to occur, the time and financial resources required to obtain FDA approval for these product candidates, and complications and risks associated with these product candidates, would likely increase significantly. Moreover, inability to pursue the Section 505(b)(2) or similar regulatory pathway could result in new competitive products reaching the market more quickly than our product candidates, which would likely harm our competitive position and prospects. Even if we are allowed to pursue the

Section 505(b)(2) or similar regulatory pathway, our product candidates may not receive the requisite approvals for commercialization.

In addition, notwithstanding the approval of a number of products by the FDA under Section 505(b)(2) over the last few years, certain competitors and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA's interpretation of Section 505(b)(2) is successfully challenged, the FDA may be required to change its 505(b)(2) policies and practices, which could delay or even prevent the FDA from approving any NDA that we submit under Section 505(b)(2). In addition, the pharmaceutical industry is highly competitive, and Section 505(b)(2) NDAs are subject to special requirements designed to protect the patent rights of sponsors of previously approved drugs that are referenced in a Section 505(b)(2) NDA. These requirements may give rise to patent litigation and mandatory delays in approval of our potential future NDAs for up to 30 months depending on the outcome of any litigation. It is not uncommon for a manufacturer of an approved product to file a citizen petition with the FDA seeking to delay approval of, or impose additional approval requirements for, pending competing products. If successful, such petitions can significantly delay, or even prevent, the approval of the new product. However, even if the FDA ultimately denies such a petition, the FDA may substantially delay approval while it considers and responds to the petition. In addition, even if we are able to utilize the Section 505(b)(2) regulatory pathway for our product candidates, there is no guarantee this would ultimately lead to faster product development or earlier approval.

Moreover, even if these product candidates are approved under the Section 505(b)(2) pathway, as the case may be, the approval may be subject to limitations on the indicated uses for which the products may be marketed or to other conditions of approval, or may contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the products.

We expect current and future legislation affecting the healthcare industry, including healthcare reform, to impact our business generally and to increase limitations on reimbursement, rebates and other payments, which could adversely affect third-party coverage of our products, our operations, and/or how much or under what circumstances healthcare providers will prescribe or administer our products, if approved.

The United States and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products profitably. 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 or 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, in March 2010, President Obama signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act of 2010, or collectively, the ACA, a law intended, among other things, to broaden access to health insurance, improve quality of care, and reduce or constrain the growth of healthcare spending.

Provisions of the ACA relevant to the pharmaceutical industry include the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs, not including orphan drug sales;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts on negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain

individuals with income at or below 133% of the Federal Poverty Level, thereby potentially increasing manufacturers' Medicaid rebate liability;

- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report annually certain financial arrangements with physicians and teaching hospitals; as defined in the ACA and its implementing regulations, including reporting any payment or "transfer of value" provided to physicians and teaching hospitals and any ownership and investment interests held by physicians and their immediate family members during the preceding calendar year;
- expansion of healthcare fraud and abuse laws, including the federal civil False Claims Act and the federal Anti-Kickback Statute, new government investigative powers and enhanced penalties for noncompliance; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research.

There have been judicial and Congressional challenges to certain aspects of the ACA. As a result, there have been delays in the implementation of, and action taken to repeal or replace, certain aspects of the ACA. In January 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. Further, in January 2017, Congress adopted a budget resolution for fiscal year 2017, or the Budget Resolution, that authorizes the implementation of legislation that would repeal portions of the ACA. Following the passage of the Budget Resolution, in March 2017, the U.S. House of Representatives introduced legislation known as the American Health Care Act, which, if enacted, would amend or repeal significant portions of the ACA.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, in August 2011, President Obama signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee did not achieve a targeted deficit reduction of an amount greater than $1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to healthcare providers of up to 2.0% per fiscal year, which started in 2013 and, following passage of the Bipartisan Budget Act of 2015, will stay in effect through 2025 unless additional Congressional action is taken. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several categories of healthcare providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Additionally, there have been several recent U.S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for drugs. Further, the U.S. House of Representatives recently formed an Affordable Drug Pricing Task Force to advance legislation intended to control pharmaceutical drug costs and investigate pharmaceutical drug pricing, and the U.S. Senate has requested information from certain pharmaceutical companies in connection with an investigation into pharmaceutical drug pricing practices. If healthcare policies or reforms intended to curb healthcare costs are adopted, or if we experience negative publicity with respect to the pricing of our products or the pricing of pharmaceutical drugs generally, the prices that we charge for any approved products may be limited, our commercial opportunity may be limited and/or our revenues from sales of our products may be negatively impacted.

If we obtain regulatory approval and commercialization of MitoGel, VesiGel or any of our other product candidates, these laws may result in additional reductions in healthcare funding, which could have an adverse effect on our customers and accordingly, our financial operations. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of MitoGel, VesiGel or our other product candidates may be.

Although we cannot predict the full effect on our business of the implementation of existing legislation or the enactment of additional legislation pursuant to healthcare and other legislative reform, we believe that legislation or regulations that would reduce reimbursement for, or restrict coverage of, our products could adversely affect how much or under what circumstances healthcare providers will prescribe or administer our products. This could adversely affect our business by reducing our ability to generate revenues, raise capital, obtain additional licensees and market our products. In addition, we believe the increasing emphasis on managed care in the United States has and will continue to put pressure on the price and usage of pharmaceutical products, which may adversely impact product sales.

We may be unable to obtain Orphan Drug Designation or exclusivity for future product candidates we may develop. If our competitors are able to obtain orphan drug exclusivity for their products that are for the same indication as our product candidates, we may not be able to have competing products approved by the applicable regulatory authority for a significant period of time.

Under the Orphan Drug Act of 1983, the FDA may designate a product as an orphan drug if it is intended to treat an orphan disease or condition, defined as a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States.

In the United States, Orphan Drug Designation entitles a party to financial incentives, such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. In addition, if a product receives the first FDA approval for the indication for which it has Orphan Drug Designation, the product is entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same drug for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity or where the manufacturer is unable to assure sufficient product quantity.

Although the FDA has granted MitoGel orphan drug designation for the treatment of UTUC and to Vesimune for treatment of CIS, we may not receive orphan drug designation for any of our other product candidates. If our competitors are able to obtain orphan drug exclusivity for their products that are the same or similar to our product candidates before our drug candidates are approved, we may not be able to have competing product candidates approved by the FDA for a significant period of time. Any delay in our ability to bring our product candidates to market would negatively impact our business, revenue, cash flows and operations.

Orphan Drug Designation may not ensure that we will enjoy market exclusivity in a particular market, and if we fail to obtain or maintain orphan drug exclusivity for our product candidates, we may be subject to earlier competition and our potential revenue will be reduced.

Orphan Drug Designation entitles a party to financial incentives, such as opportunities for grant funding towards clinical trial costs, tax advantages, user-fee waivers and market exclusivity for certain periods of time.

MitoGel and Vesimune have been granted Orphan Drug Designation for the treatment of UTUC and CIS, respectively, in the United States. Even if we obtain Orphan Drug Designation for our other product candidates, we may not be the first to obtain regulatory approval for any particular orphan indication due to the uncertainties associated with developing biopharmaceutical products. Further, even if we obtain Orphan Drug Designation for a product candidate, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties can be approved for the same condition. In addition, if a competitor obtains approval and marketing exclusivity for a drug product with an active moiety that is the same as that in a product candidate we are pursuing for the same indication, approval of our product candidate would be blocked during the period of marketing exclusivity unless we could demonstrate that our product candidate is clinically superior to the approved product. In addition, if a competitor obtains approval and marketing exclusivity for a drug product with an active moiety that is the same as that in a product candidate we are pursuing for a different orphan indication, this may negatively impact the market opportunity for our product candidate. There have been legal challenges to aspects of the FDA's regulations and policies concerning the exclusivity provisions of the Orphan Drug Act, and future challenges could lead to changes that affect the protections afforded our product candidates in ways that are difficult to predict.

Even if we receive regulatory approval for our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expenses, limit or withdraw regulatory approval and subject us to penalties if we fail to comply with applicable regulatory requirements.

If and when regulatory approval has been granted, our product candidates or any approved product will be subject to continual regulatory review by the FDA and/or non-U.S. regulatory authorities. Additionally, any product candidates, if approved, will be subject to extensive and ongoing regulatory requirements, including labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Any regulatory approvals that we receive for our product candidates may also be subject to limitations on the approved indications for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product. In addition, if the applicable regulatory agency approves our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP and GCP for any clinical trials that we conduct post-approval.

Later discovery of previously unknown problems with our product candidates, including adverse events of unanticipated severity or frequency, or problems with our third-party manufacturers' processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- fines, warnings letters or holds on clinical trials
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of product license approvals; and
- product seizure or detention, or refusal to permit the import or export of products; and injunctions or the imposition of civil or criminal penalties.

Our ongoing regulatory requirements may also change from time to time, potentially harming or making costlier our commercialization efforts. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or other countries. 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 and we may not achieve or sustain profitability, which would adversely affect our business.

Our relationships with healthcare professionals, independent contractors, clinical investigators, CROs, consultants and vendors in connection with our current and future business activities may be subject to federal and state healthcare fraud and abuse laws, false claims laws, transparency laws, government price reporting, and health information privacy and security laws. If we are unable to comply, or have not fully complied, with such laws, we could face penalties.

We may currently be or may become subject to various U.S. federal and state health care laws, including those intended to prevent health care fraud and abuse.

The federal Anti-Kickback Statute prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid Remuneration has been broadly defined to include anything of value, including, but not limited to, cash, improper discounts, and free or reduced price items and services.

Federal false claims laws, including the federal False Claims Act, or FCA, and civil monetary penalties law impose penalties against individuals or entities for, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent or making a false record or statement to avoid, decrease or conceal an obligation to pay money to the federal government. The FCA has been used to, among other things, prosecute persons and entities submitting claims for payment that are inaccurate or fraudulent, that are for services not provided as claimed, or for services that are not medically necessary. The FCA includes a whistleblower provision that allows individuals to bring actions on behalf of the federal government and share a portion of the recovery of successful claims.

Many states have similar fraud and abuse statutes and regulations that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under Medicaid and other state programs. State and federal authorities have aggressively targeted medical technology companies for, among other things, alleged violations of these anti-fraud statutes, based on improper research or consulting contracts with doctors, certain marketing arrangements that rely on volume-based pricing, off-label marketing schemes, and other improper promotional practices.

The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, among other things, imposes criminal liability for knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services.

Additionally, HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH Act, and their implementing regulations, also impose certain obligations, including mandatory contractual terms, on certain types of individuals and entities with respect to safeguarding the privacy, security and transmission of individually identifiable health information without proper written authorization.

Our operations will also be subject to the federal transparency requirements under the ACA, which require certain manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to annually report to the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, or HHS, information related to payments and other transfers of value provided to physicians and teaching hospitals and certain ownership and investment interests held by physicians and their immediate family members. We may also be subject to state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures, and/or state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidelines promulgated by the federal government.

If any of our business activities, including but not limited to our relationships with healthcare providers, violate any of the aforementioned laws, we may be subject to administrative, civil and/or criminal penalties, damages, monetary fines, disgorgement, individual imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations.

Also, the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. We cannot assure you that our internal control policies and procedures will protect us from reckless or negligent acts committed by our employees, future distributors, partners, collaborators or agents. Violations of these laws, or allegations of such violations, could result in fines, penalties or prosecution and have a negative impact on our business, results of operations and reputation.

Legislative or regulatory healthcare reforms in the United States or abroad may make it more difficult and costly for us to obtain regulatory clearance or approval of our product candidates or any future product candidates and to produce, market, and distribute our products after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in Congress in the United States or by governments in foreign jurisdictions that could significantly change the statutory provisions governing the regulatory clearance or approval, manufacture, and marketing of regulated products or the reimbursement thereof. In addition, FDA or foreign regulatory agency regulations and guidance are often revised or reinterpreted by the FDA or the applicable foreign regulatory agency in ways that may significantly affect our business and our products. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of our product candidates or any future product candidates. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require:

- changes to manufacturing methods;
- recall, replacement, or discontinuance of one or more of our products; and
- additional recordkeeping.

Each of these would likely entail substantial time and cost and could harm our business and our financial results. In addition, delays in receipt of or failure to receive regulatory clearances or approvals for any future products would harm our business, financial condition, and results of operations.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could negatively impact our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

We maintain workers compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials or other work-related injuries with policy limits that we believe are customary for similarly situated companies and adequate to provide us with coverage for foreseeable risks. Although we maintain such insurance, this insurance may not provide adequate coverage against potential liabilities. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

It may be difficult for us to profitably sell our product candidates if coverage and reimbursement for these products is limited by government authorities and/or third-party payor policies.

In addition to any healthcare reform measures which may affect reimbursement, market acceptance and sales of MitoGel, VesiGel and our other product candidates, if approved, will depend on the coverage and reimbursement policies of government authorities and third-party payors. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will cover and establish reimbursement levels.

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Third party payors decide which drugs they will pay for and establish reimbursement and co-payment levels. Government and other third-party payors are increasingly challenging the prices charged for health care products, examining the cost effectiveness of drugs in addition to their safety and efficacy, and limiting or attempting to limit both coverage and the level of reimbursement for prescription drugs. We cannot be sure that coverage will be available for MitoGel, VesiGel or our other product candidates, if approved, or, if coverage is available, the level of reimbursement.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement for new medicines are typically made by CMS, an agency within the U.S. Department of HHS, as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors often follow CMS. It is difficult to predict what CMS as well as other payors will decide with respect to reimbursement for fundamentally novel products such as ours, as there is no body of established practices and precedents for these new products.

Reimbursement may impact the demand for, and/or the price of, any product for which we obtain marketing approval. Assuming we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of our products. Therefore, coverage and adequate reimbursement is critical to new product acceptance. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available. There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution.

Reimbursement by a third-party payor may depend upon a number of factors including the third-party payor’s determination that use of a product is:

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

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide supporting scientific, clinical and cost effectiveness data for the use of our products to the payor. Further, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process may require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. We may not be able to provide data sufficient to gain acceptance with respect to coverage and/or sufficient reimbursement levels. We cannot be sure that coverage or adequate reimbursement will be available for MitoGel, VesiGel or any of our other product candidates, if approved. Also, we cannot be sure that reimbursement amounts will not reduce the demand for, or the price of, our future products. If reimbursement is not available, or is available only to limited levels, we may not be able to commercialize MitoGel, VesiGel or our other product candidates, or achieve profitably at all, even if approved.

Legislative or regulatory healthcare reforms in the United States may make it more difficult and costly for us to obtain regulatory clearance or approval of MitoGel, VesiGel or any of our other product candidates and to produce, market, and distribute our products after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulatory clearance or approval, manufacture, and marketing of regulated products or the reimbursement thereof. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of MitoGel, VesiGel or any of our other product candidates. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require:

- changes to manufacturing methods;
- change in protocol design; requesting additional treatment arm (control);
- recall, replacement, or discontinuance of one or more of our products; and
- additional recordkeeping.

Each of these would likely entail substantial time and cost and could harm our business and our financial results.

Risks Related to an Investment in Our Ordinary Shares

An active, liquid and orderly trading market for our ordinary shares may not develop, which may inhibit the ability of our shareholders to sell ordinary shares following this offering.

Prior to this offering there has been no public market for our ordinary shares. An active, liquid or orderly trading market in our ordinary shares may not develop upon completion of this offering, or if it does develop, it may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital in the future by selling shares and may impair our ability to acquire other companies by using our shares as consideration.

The market price of our ordinary shares may be subject to fluctuation and you could lose all or part of your investment.

The initial public offering price for the shares will be determined by negotiations between us and representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The price of our ordinary shares may decline following this offering. The stock market in general has been, and the market price of our ordinary shares in particular will likely be, subject to fluctuation, whether due to, or irrespective of, our operating results and financial condition. The market price of our ordinary shares on the NASDAQ Global Market may fluctuate as a result of a number of factors, some of which are beyond our control, including, but not limited to:

- actual or anticipated variations in our and our competitors' results of operations and financial condition;
- physician and market acceptance of our products;
- the mix of products that we sell;
- our success or failure to obtain approval for and commercialize our product candidates;
- changes in earnings estimates or recommendations by securities analysts, if our ordinary shares are covered by analysts;
- development of technological innovations or new competitive products by others;
- announcements of technological innovations or new products by us;
- publication of the results of preclinical or clinical trials for MitoGel, VesiGel or our other product candidates;
- failure by us to achieve a publicly announced milestone;
- delays between our expenditures to develop and market new or enhanced product candidates and the generation of sales from those products;
- developments concerning intellectual property rights, including our involvement in litigation brought by or against us;

- regulatory developments and the decisions of regulatory authorities as to the approval or rejection of new or modified products;
- changes in the amounts that we spend to develop, acquire or license new products, technologies or businesses;
- changes in our expenditures to promote our products;
- our sale or proposed sale, or the sale by our significant shareholders, of our ordinary shares or other securities in the future;
- changes in key personnel;
- success or failure of our research and development projects or those of our competitors;
- the trading volume of our ordinary shares; and
- general economic and market conditions and other factors, including factors unrelated to our operating performance.

These factors and any corresponding price fluctuations may negatively impact the market price of our ordinary shares and result in substantial losses being incurred by our investors. In the past, following periods of market volatility, public company shareholders have often instituted securities class action litigation. If we were involved in securities litigation, it could impose a substantial cost upon us and divert the resources and attention of our management from our business.

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

The trading market for our ordinary shares will rely in part on the research and reports that equity research analysts publish about us and our business, if at all. We do not have control over these analysts and we do not have commitments from them to write research reports about us. The price of our ordinary shares could decline if no research reports are published about us or our business, or if one or more equity research analysts downgrade our ordinary shares or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

Future sales of our ordinary shares could reduce the market price of our ordinary shares.

If our existing shareholders, particularly our directors, their affiliates, or our executive officers, sell a substantial number of our ordinary shares in the public market, the market price of our ordinary shares could decrease significantly. The perception in the public market that our shareholders might sell our ordinary shares could also depress the market price of our ordinary shares and could impair our future ability to obtain capital, especially through an offering of equity securities.

Substantially all of our shares outstanding prior to this offering and our shares issuable upon the exercise of warrants and vested options are subject to lock-up agreements with the underwriters that restrict the ability of their holders to transfer such shares for 180 days after the date of this prospectus. Consequently, upon expiration of the lock-up agreements, an additional approximately of our ordinary shares, including approximately ordinary shares issuable upon the exercise of our outstanding options or warrants, will be eligible for sale in the public market, of which approximately ordinary shares will be subject to restrictions on volume and manner of sale pursuant to Rule 144 under the Securities Act of 1933, as amended. However, we intend to file one or more registration statements on Form S-8 with the SEC covering all of the ordinary shares issuable under our 2010 Israeli Share Option Plan and such shares will be available for resale following the expiration of the restrictions on transfer.

After this offering, the holders of approximately ordinary shares will be entitled to registration rights, subject to the terms of the lock-up agreements described above. The market price of our ordinary shares may drop significantly when the restrictions on resale by our existing shareholders lapse and these shareholders are able to sell our ordinary shares into the market. In addition, our sale of additional ordinary shares or similar securities in order to raise capital might have a similar negative impact on the share price of our ordinary shares. A decline in the price of our ordinary shares might impede our ability to raise capital through the issuance of additional ordinary shares or other equity securities, and may cause you to lose part or all of your investment in our ordinary shares.

Investors in this offering will experience immediate substantial dilution in net tangible book value.

The initial public offering price of our ordinary shares in this offering is considerably greater than the net tangible book value per share of our outstanding ordinary shares immediately after this offering. Accordingly, investors in this offering will incur immediate dilution of $ per share, as of December 31, 2016, based on an assumed initial public offering price of $ per share, the midpoint of the estimated initial public offering price range shown on the cover of this prospectus. In addition, if outstanding options to purchase our ordinary shares are exercised in the future, you will experience additional dilution. Please see the section entitled "Dilution."

The significant share ownership position of affiliates of directors may limit your ability to influence corporate matters.

After giving effect to this offering, corporate entities affiliated with our directors will beneficially own or control, directly or indirectly, approximately % of our outstanding ordinary shares (or % if the underwriters exercise their option in full to purchase additional ordinary shares). In addition, our directors, officers and employees and persons having business or other relationships with us and related persons may further increase their ownership in our company pursuant to the directed share program. At our request, the underwriters have reserved ordinary shares, or % of the shares being offered by this prospectus (excluding the ordinary shares that may be issued upon the underwriters' exercise of their option to purchase additional shares), for sale at the initial public offering price to certain eligible directors, officers, employees and others through a directed share program. Accordingly, these entities will be able to significantly influence, though not independently determine, the outcome of matters required to be submitted to our shareholders for approval, including decisions relating to the election of our board of directors, and the outcome of any proposed merger or consolidation of our company. These interests may not be consistent with those of our other shareholders. In addition, these entities' significant interest in us may discourage third parties from seeking to acquire control of us, which may adversely affect the market price of our ordinary shares.

We have broad discretion as to the use of the net proceeds from this offering and may not use them effectively.

We currently intend to use the net proceeds we receive from this offering, together with our existing cash resources, to advance our clinical pipeline and specifically, to complete our single pivotal Phase 3 clinical trial of MitoGel for the treatment of low-grade UTUC, to file an IND for, and to initiate our Phase 2b clinical trial of VesiGel for the treatment of low-grade NMIBC, and to fund continued research and clinical development of our other product candidates and for other general corporate purposes. However, our management will have broad discretion in the application of the net proceeds. Our shareholders may not agree with the manner in which our management chooses to allocate the net proceeds from this offering. The failure by our management to apply these funds effectively could harm our business, financial condition and results of operation. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income.

We have never paid cash dividends on our share capital, and we do not anticipate paying any cash dividends in the foreseeable future.

We have never declared or paid cash dividends on our share capital, nor do we anticipate paying any cash dividends on our share capital in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, capital appreciation, if any, of our ordinary shares will be investors' sole source of gain for the foreseeable future. In addition, Israeli law limits our ability to declare and pay dividends, and may subject our dividends to Israeli withholding taxes.

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

As a public company whose ordinary shares are listed in the United States, we will be subject to an extensive regulatory regime, requiring us, among other things, to maintain various internal controls and facilities and to prepare and file periodic and current reports and statements, including reports on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002. Complying with these requirements will be costly and time consuming. We will need to retain additional employees to supplement our current finance staff, and we may not be able to do so in a timely manner, or at all. In the event that we are unable to demonstrate compliance with our obligations as a public company in a timely manner, or are unable to produce timely or accurate financial statements, we may be subject to sanctions or investigations by regulatory authorities, such as the SEC or the NASDAQ Global Market, and investors may lose confidence in our operating results and the price of our ordinary shares could decline.

Our independent registered public accounting firm was not engaged to perform an audit of our internal control over financial reporting, and as long as we remain an emerging growth company, as such term is defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, we will be exempt from the requirement to have an independent registered public accounting firm perform such audit. Accordingly, no such opinion was expressed or will be expressed any during any such period. Once we cease to qualify as an emerging growth company our independent registered public accounting firm will be required to attest to our management's annual assessment of the effectiveness of our internal controls over financial reporting, which will entail additional costs and expenses.

Furthermore, we are only in the early stages of determining formally whether our existing internal controls over financial reporting systems are compliant with Section 404 and whether there are any material weaknesses or significant deficiencies in our existing internal controls. These controls and other procedures are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is disclosed accurately and is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

We presently do not anticipate to be classified as a passive foreign investment company for the current taxable year. If, however, we are or become classified as a PFIC, our U.S. shareholders may suffer adverse tax consequences as a result.

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

Our status as a PFIC will depend on the nature and composition of our income and the nature, composition and value of our assets (which, assuming we are not a "controlled foreign corporation," or a CFC, under Section 957(a) of the Internal Revenue Code of 1986, as amended, or the Code, for the year being tested, may be determined based on the fair market value of each asset, with the value of goodwill and going concern value determined in large part by reference to the market value of our common shares, which may be volatile) from time to time. Our status may also depend, in part, on how quickly we utilize the cash proceeds from this offering in our business. Based upon the expected value of our assets, including any goodwill, and the expected nature and composition of our income and assets, we presently do not anticipate that we will be classified as a PFIC for the taxable year ending December 31, 2017. However, it is not certain that the nature and composition of our income and assets will be as we currently expect, or that we will receive milestone payments in 2017 pursuant to the Allergan Agreement. If we do not receive milestone payments as anticipated or other non-passive income, we likely will be classified as a PFIC for 2017. Our status as a PFIC is a fact-intensive determination made on an annual basis. We cannot provide any assurances regarding our PFIC status for the current or future taxable years, and our U.S. tax counsel has not provided any opinion regarding our PFIC status.

As a foreign private issuer, we are permitted, and intend, to follow certain home country corporate governance practices instead of otherwise applicable NASDAQ requirements, and we will not be subject to certain U.S. securities laws including, but not limited to, U.S. proxy rules and the filing of certain Exchange Act reports.

As a foreign private issuer, we will be permitted, and intend, to follow certain home country corporate governance practices instead of those otherwise required by the NASDAQ Stock Market for domestic U.S. issuers. Following our home country governance practices as opposed to the requirements that would otherwise apply to a U.S. company listed on the NASDAQ Global Market may provide less protection to you than what is accorded to investors under the NASDAQ Rules applicable to domestic U.S. issuers. See the section titled "Management—Corporate Governance Practices."

As a foreign private issuer, we will be exempt from the rules and regulations under the Securities Exchange Act of 1934, or the Exchange Act, related to the furnishing and content of proxy statements, including the requirement to disclose the compensation of our Chief Executive Officer, Chief Financial Officer, President of Israel Operations and the other two most highly compensated executive officers on an individual basis. Nevertheless, pursuant to regulations promulgated under the Israeli Companies Law, 5759-1999, or the Israeli Companies Law, we are required to disclose the annual compensation of our five most highly compensated office holders on an individual basis. Such disclosure will not be as extensive as that required of a U.S. domestic issuer. Our officers, directors and principal shareholders will also be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act and we will be exempt from filing quarterly reports with the SEC under the Exchange Act. Moreover, we will not be required to comply with Regulation FD, which restricts the selective disclosure of material information, although we intend to voluntarily adopt a corporate disclosure policy substantially similar to Regulation FD. These exemptions and leniencies will reduce the frequency and scope of information and protections to which you may otherwise have been eligible in relation to a U.S. domestic issuer.

We would lose our foreign private issuer status if a majority of our shares are owned by U.S. residents and a majority of our directors or executive officers are U.S. citizens or residents or we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. We may also be required to modify certain of our policies to comply with accepted governance practices associated with U.S. domestic issuers. Such conversion and modifications will involve additional costs. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers.

We are an emerging growth company and the reduced disclosure requirements applicable to emerging growth companies may make our ordinary shares less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements that are applicable to other public companies that are not emerging growth companies.

For as long as we remain an emerging growth company we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not “emerging growth companies.” These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited condensed consolidated interim financial statements, with correspondingly reduced “Management’s discussion and analysis of financial condition and results of operations” disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We will remain an emerging growth company until the earliest of: (i) the last day of our fiscal year during which we have total annual gross revenues of at least $1.0 billion; (ii) the last day of our fiscal year following the fifth anniversary of the closing of this offering; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt; or (iv) the date on which we are deemed to be a “large accelerated filer” under the Exchange Act. We have opted out of the extended transition period made available to emerging growth companies to comply with newly adopted public company accounting requirements.

When we are no longer deemed to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above. We cannot predict if investors will find our ordinary shares less attractive as a result of our reliance on exemptions under the JOBS Act. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and our share price may be more volatile.

Risks Related to our Operations in Israel

Our headquarters, research and development and other significant operations are located in Israel and, therefore, our results may be adversely affected by political, economic and military instability in Israel.

Our headquarters and research and development facilities are located in Ra'anana, Israel. In addition, the majority of our key employees, officers and directors are residents of Israel. If these or any future facilities in Israel were to be damaged, destroyed or otherwise unable to operate, whether due to war, acts of hostility, earthquakes, fire, floods, hurricanes, storms, tornadoes, other natural disasters, employee malfeasance, terrorist acts, power outages or otherwise, or if performance of our research and development is disrupted for any other reason, such an event could delay our clinical trials or, if our product candidates are approved and we choose to manufacture all or any part of them internally, jeopardize our ability to manufacture our products as promptly as our prospective customers will likely expect, or possibly at all. If we experience delays in achieving our development objectives, or if we are unable to manufacture an approved product within a timeframe that meets our prospective customers' expectations, our business, prospects, financial results and reputation could be harmed.

Political, economic and military conditions in Israel may directly affect our business. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries, Hamas (an Islamist militia and political group that controls the Gaza Strip) and Hezbollah (an Islamist militia and political group based in Lebanon). In addition, several countries, principally in the Middle East, restrict doing business with Israel, and additional countries may impose restrictions on doing business with Israel and Israeli companies whether as a result of hostilities in the region or otherwise. Any hostilities involving Israel, terrorist activities, political instability or violence in the region or the interruption or curtailment of trade or transport between Israel and its trading partners could adversely affect our operations and results of operations and adversely affect the market price of our ordinary shares.

Our commercial insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East. Although the Israeli government is currently committed to covering the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, there can be no assurance that this government coverage will be maintained, or if maintained, will be sufficient to compensate us fully for damages incurred. Any losses or damages incurred by us could have a material adverse effect on our business, financial condition and results of operations.

Further, our operations could be disrupted by the obligations of our employees to perform military service. As of December 31, 2016, we had 31 employees based in Israel. Of these employees, some may be military reservists, and may be called upon to perform military reserve duty of up to 36 days per year (and in some cases more) until they reach the age of 40 (and in some cases, up to the age of 45 or older). Additionally, they may be called to active duty at any time under emergency circumstances. In response to increased tension and hostilities in the region, there have been, at times, call-ups of military reservists, and it is possible that there will be additional call-ups in the future. Our operations could be disrupted by the absence of these employees due to military service. Such disruption could harm our business and operating results.

The Israeli government grants we have received for research and development activities restrict our ability to manufacture products and transfer technologies outside of Israel and require us, in addition to the payment of royalties, to satisfy specified conditions. If we fail to satisfy these conditions, we may be required to refund grants previously received and incur financial penalties.

We have received grants under the Israeli Law for the Encouragement of Industrial Research, Development and Technological Innovation, 5754-1984, or the R&D Law, from the Israel Innovation Authority of the Ministry of Economy and Industry in Israel, or the IIA, formerly known as the Office of the Chief Scientist, an independent and impartial public entity, for some of our development programs. As of December 31, 2016, we had received grants in

the aggregate amount of $2.1 million. We have applied, and may in the future apply, to receive additional grants from the IIA. However, we cannot predict whether we will be entitled to any future grants, or the amounts of any such grants.

A recipient of a grant from the IIA is obligated to pay royalties generally at a rate of 3% to 5% on revenues from sales of products developed with IIA-funded technology, up to the amount of the grant related to any such products plus accrued interest. Under the R&D Law, a company that received grants from the IIA may not transfer IIA-funded technology or manufacture products developed with IIA-funded technology outside of the State of Israel without first obtaining the approval of the IIA. For example, under the Allergan Agreement, Allergan has the option to manufacture products developed with IIA-funded technology outside of Israel and, although Allergan has not yet exercised this option, we have requested approval from the IIA for a possible transfer. We may not receive any such approval upon any request, which could prevent us, for example, from out-licensing our product candidates or complying with our existing agreements. Even if we do receive such approvals, we may be required to pay increased royalties of up to 300% of the amount of the original grant and other amounts. If we do not receive such approvals, we may be required to pay significant penalties. The IIA may also impose certain conditions on any arrangement under which it permits us to transfer IIA-funded technology outside of the State of Israel. Furthermore, the consideration available to our shareholders in a transaction involving the transfer outside of the State of Israel of IIA-funded technology (such as a merger or similar transaction) may be reduced by any amounts that we are required to pay to IIA. The restrictions under the R&D Law will continue to apply even after we have repaid the full amount of royalties due to the IIA. If we fail to satisfy the conditions of the R&D Law, we may be required to refund the amounts of the grants previously received, together with interest and penalties, and may become subject to criminal charges.

Provisions of Israeli law and our amended and restated articles of association may delay, prevent or otherwise impede a merger with, or an acquisition of, us, even when the terms of such a transaction are favorable to us and our shareholders.

Israeli corporate law regulates mergers, requires tender offers for acquisitions of shares above specified thresholds, requires special approvals for transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to such types of transactions. For example, a tender offer for all of a company's issued and outstanding shares can only be completed if shareholders not accepting the tender offer hold less than 5% of the issued share capital. Completion of the tender offer also requires approval of a majority of the offerees that do not have a personal interest in the tender offer, unless shareholders not accepting the tender offer hold less than 2% of the company's outstanding shares. Furthermore, the shareholders, including those who indicated their acceptance of the tender offer, may, at any time within six months following the completion of the tender offer, petition an Israeli court to alter the consideration for the acquisition, unless the acquirer stipulated in its tender offer that a shareholder that accepts the offer may not seek such appraisal rights.

Furthermore, Israeli tax considerations may make potential transactions unappealing to us or to our shareholders whose country of residence does not have a tax treaty with Israel exempting such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of a number of conditions, including, in some cases, a holding period of two years from the date of the transaction during which sales and dispositions of shares of the participating companies are subject to certain restrictions. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred. These provisions could delay, prevent or impede an acquisition of us or our merger with another company, even if such an acquisition or merger would be beneficial to us or to our shareholders.

It may be difficult to enforce a judgment of a U.S. court against us, our officers and directors or the Israeli experts named in this prospectus in Israel or the United States, to assert U.S. securities laws claims in Israel or to serve process on our officers and directors and these experts.

We are incorporated in Israel. The majority of our directors and most of our executive officers listed in this prospectus reside outside of the United States, and most of our assets and most of the assets of these persons are located outside of the United States. Therefore, a judgment obtained against us, or any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the

United States and may not be enforced by an Israeli court. It may also be difficult for you to effect service of process on these persons in the United States or to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law.

There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against us in Israel, you may not be able to collect any damages awarded by either a U.S. or foreign court. Please see the section entitled "Enforcement of Civil Liabilities" for additional information on your ability to enforce a civil claim against us and our executive officers or directors named in this prospectus.

Your rights and responsibilities as a shareholder will be governed by Israeli law, which differs in some material respects from the rights and responsibilities of shareholders of U.S. companies.

The rights and responsibilities of the holders of our ordinary shares are governed by our amended and restated articles of association and by Israeli law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in U.S. companies. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders, and to refrain from abusing its power in the company, including, among other things, in voting at a general meeting of shareholders on matters such as amendments to a company's articles of association, increases in a company's authorized share capital, mergers and acquisitions and related party transactions requiring shareholder approval, as well as a general duty to refrain from discriminating against other
shareholders. In addition, a shareholder who is aware that it possesses the power to determine the outcome of a vote at a meeting of the shareholders or to appoint or prevent the appointment of a director or executive officer in the company has a duty of fairness toward the company.

There is limited case law available to assist us in understanding the nature of these duties or the implications of these provisions. These provisions may be interpreted to impose additional obligations and liabilities on holders of our ordinary shares that are not typically imposed on shareholders of U.S. companies.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the timing and conduct of our clinical trials of MitoGel, VesiGel and our other product candidates, including statements regarding the timing, progress and results of current and future preclinical studies and clinical trials, and our research and development programs;
- the clinical utility, potential advantages and timing or likelihood of regulatory filings and approvals of MitoGel, VesiGel and our other product candidates;
- our plans regarding utilization of regulatory pathways that would allow for accelerated marketing approval in the United States;
- our expectations regarding timing for application for and receipt of regulatory approval for any of our product candidates;
- our ongoing and planned discovery and development of product candidates;
- our expectations regarding future growth, including our ability to develop, and obtain regulatory approval for, new product candidates;
- our ability to obtain and maintain adequate intellectual property rights and adequately protect and enforce such rights;
- our ability to maintain our collaboration with Allergan, enter into and successfully complete other collaborations, licensing arrangements or in-license or acquire rights to other products, product candidates or technologies;
- our plans to develop and commercialize our product candidates;
- our estimates regarding the market opportunity for our product candidates;
- our estimates regarding expenses, future revenues, capital requirements and the need for additional financing;
- our planned level of capital expenditures and our belief that our existing cash and cash equivalents will be sufficient to fund our operations for at least the next 12 months;
- the impact of our research and development expenses as we continue developing product candidates;
- our expectations regarding the maintenance of our foreign private issuer status;
- the impact of government laws and regulations; and
- our expectations regarding the use of proceeds from this offering.

Forward-looking statements are based on our management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management’s beliefs and assumptions, and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under “Risk Factors” and
elsewhere in this prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements.

The forward-looking statements included in this prospectus speak only as of the date of this prospectus. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that

future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this prospectus. See “Where You Can Find More Information.”

USE OF PROCEEDS

We estimate that the net proceeds from the sale of ordinary shares in this offering will be approximately $, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, based on an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus. If the underwriters exercise their option to purchase additional ordinary shares in full, we estimate that the net proceeds to us from this offering will be approximately $, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Each $1.00 increase (decrease) in the assumed initial public offering price of $ per ordinary share would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by $, assuming that the number of ordinary shares offered by us, as set forth on the cover of this prospectus, remains the same. We may also increase or decrease the number of ordinary shares we are offering. An increase (decrease) of 100,000 in the number of ordinary shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by $, assuming the assumed initial public offering price stays the same.

We expect to use the net proceeds from this offering, together with our existing cash resources, to advance our clinical pipeline, including specifically:

- approximately $ to complete our single pivotal Phase 3 clinical trial of MitoGel for the treatment of low-grade UTUC;
- approximately $ to file an IND for, and to initiate our Phase 2b clinical trial of, VesiGel for the treatment of low-grade NMIBC; and
- the remainder to fund continued research and clinical development of our other product candidates, and for working capital and other general corporate purposes.

Due to the uncertainties inherent in the clinical development and regulatory approval process, it is difficult to estimate with certainty the exact amounts of the net proceeds from this offering that may be used for any of the above purposes on a stand-alone basis.

Pending our application of the net proceeds from this offering, we plan to invest such proceeds in depositary institutions.

DIVIDEND POLICY

We have never declared or paid cash dividends to our shareholders and we do not intend to pay cash dividends in the foreseeable future. We intend to reinvest any earnings in developing and expanding our business. Any future determination relating to our dividend policy will be at the discretion of our board of directors in compliance with applicable legal requirements and will depend on a number of factors, including future earnings, our financial condition, operating results, contractual restrictions, capital requirements, business prospects, our strategic goals and plans to expand our business, applicable law and other factors that our board of directors may deem relevant.

See “Risk Factors—Risks Related to an Investment in Our Ordinary Shares—We have never paid cash dividends on our share capital, and we do not anticipate paying any cash dividends in the foreseeable future” and, for an explanation concerning the payment of dividends under Israeli law, see “Description of Share Capital—Dividend and Liquidation Rights.”

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2016 on:

- an actual basis;
- a pro forma basis to reflect the automatic conversion of all outstanding preferred shares into an aggregate of 1,622,957 ordinary shares; and
- a pro forma as adjusted basis to give further effect to the sale of ordinary shares in this offering at an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted data included in the table below are also unaudited. You should read this information together with our condensed consolidated interim financial statements appearing elsewhere in this prospectus and the information set forth under the headings "Selected Financial Data," "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	AS OF DECEMBER 31, 2016		
	ACTUAL	PRO FORMA(2)	PRO FORMA AS ADJUSTED
	(in thousands)		
Cash and cash equivalents(1)	$ 21,362	$ 21,362	$
Warrants for preferred shares	3,612	3,612	
Shareholders' equity			
Ordinary shares, NIS 0.01 par value: 5,500,000 shares authorized at December 31, 2016, actual; 10,000,000 shares authorized pro forma and shares authorized pro forma as adjusted; 720,555 issued and outstanding as of December 31, 2016, actual; 2,343,512 shares issued and outstanding, pro forma; issued and outstanding, pro forma as adjusted	2	6	
Series A and A-1 preferred shares, NIS 0.01 par value: 4,500,000 shares authorized at December 31, 2016, actual; zero shares authorized pro forma and pro forma as adjusted; 1,622,957 shares issued and outstanding at December 31, 2016, actual; zero shares issued and outstanding, pro forma and pro forma as adjusted	4	—	
Additional paid-in capital	43,515	43,515	
Accumulated deficit	(27,214)	(27,214)	
Total shareholders' equity(1)	16,307	16,307	
Total capitalization(1)	$ 19,919	$ 19,919	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus, would increase or decrease, respectively, the amount of cash and cash equivalents, total equity and total capitalization by $, assuming the number of ordinary shares offered by us, as set forth on the cover of this prospectus, remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of ordinary shares we are offering. An increase or decrease of 100,000 in the number of ordinary shares we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, total equity and total capitalization by $, assuming the assumed initial public offering price per ordinary share, as set forth on the cover of this prospectus, remains the same. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

(2) As of December 31, 2016, we had outstanding warrants to purchase 227,602 Series A-1 preferred shares at an exercise price of $25 per share. The warrants will expire upon the closing of this offering, unless they are exercised beforehand. If the warrants are exercised in cash in full, we would expect that our cash and cash equivalents would increase by $5.1 million, our shareholders' equity in respect of Series A-1 preferred shares would increase by $1,000 and our additional paid-in capital would increase by $8.7 million. If the warrants are net share settled in full, the aggregate impact on our capitalization would be an increase of shares. The Series A-1 preferred shares are converted on a one-for-one basis with ordinary shares.

DILUTION

If you invest in our ordinary shares in this offering, your interest will be immediately diluted to the extent of the difference between the initial public offering price per ordinary share in this offering and the net tangible book value per ordinary share after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the net tangible book value per ordinary share. As of December 31, 2016, we had a historical net tangible book value per ordinary share of $22.63. Our net tangible book value per share represents total tangible assets less total liabilities, all divided by the number of shares outstanding on December 31, 2016.

After giving effect to the sale of ordinary shares in this offering at an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses, and after taking into account the automatic conversion of all of our outstanding preferred shares into an aggregate of 1,622,957 ordinary shares in connection with this offering, our pro forma as adjusted net tangible book value at December 31, 2016 would have been $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to existing shareholders and immediate dilution of $ per ordinary share to new investors. The following table illustrates this dilution per ordinary share:

Assumed initial public offering price per ordinary share		$
Historical net tangible book value per ordinary share as of December 31, 2016	$22.63	
Increase in net tangible book value per ordinary share due to conversion of preferred shares	$	
Pro forma net tangible book value per ordinary share	$	
Increase in pro forma net tangible book value per ordinary share attributable to new investors	$	
Pro forma as adjusted net tangible book value per ordinary share after this offering		$
Dilution per ordinary share to new investors participating in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value as of December 31, 2016 after this offering by approximately $ per ordinary share, and would increase (decrease) dilution to investors in this offering by $ per ordinary share, assuming that the number of ordinary shares offered by us, as set forth on the cover of this prospectus, remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of ordinary shares we are offering. An increase (decrease) of 100,000 in the number of ordinary shares we are offering would increase (decrease) our pro forma as adjusted net tangible book value as of December 31, 2016 after this offering by approximately $ per ordinary share, and would decrease (increase) dilution to investors in this offering by approximately $ per ordinary share, assuming the assumed initial public offering price per ordinary share remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters exercise in full their option to purchase additional ordinary shares, the pro forma as adjusted net tangible book value will increase to $ per ordinary share, representing an immediate increase in pro forma as adjusted net tangible book value to existing shareholders of $ per ordinary share and an immediate dilution of $ per ordinary share to new investors participating in this offering.

We may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our equity holders.

The following table shows, as of December 31, 2016, on a pro forma basis, the number of ordinary shares purchased from us, the total consideration paid to us and the average price paid per share during the last five years by existing shareholders and by new investors purchasing ordinary shares in this offering at an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover of this prospectus, before deducting the underwriting discounts and commissions and estimated offering expenses payable by us:

(In thousands, except share and per share amounts and percentages)	SHARES SUBSCRIBED FOR/ PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing shareholders		%	$	%	$
Investors participating in this offering					
Total		100%	$	100%	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ordinary share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the total consideration paid by investors participating in this offering, total consideration paid by all shareholders and the average price per share paid by all shareholders by approximately $ million, $ million and $, respectively, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and before deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, a 100,000 share increase (decrease) in the number of ordinary shares offered by us, as set forth on the cover of this prospectus, would increase (decrease) the total consideration paid by investors participating in this offering, total consideration paid by all shareholders and the average price per share paid by all shareholders by approximately $ million, $ million and $, respectively, assuming the assumed initial public offering price of $ per ordinary share (the midpoint of the price range set forth on the cover of this prospectus) remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The number of ordinary shares in the table above shown as issued and outstanding on a pro forma as adjusted basis is based on ordinary shares outstanding as of December 31, 2016 and assumes:

- the issuance of ordinary shares upon the conversion of all Series A preferred shares into ordinary shares, which will occur automatically upon the closing of this offering;

but excludes:

- the issuance of Series A-1 preferred shares upon the exercise of outstanding warrants to purchase Series A-1 preferred shares (assuming their exercise for cash) and the conversion thereof into ordinary shares, which will occur automatically upon the closing of this offering;
- ordinary shares reserved for issuance under our 2010 Israeli Share Option Plan, including ordinary shares reserved for issuance upon the exercise of outstanding options at a weighted average exercise price of $ per share, and ordinary shares reserved for issuance upon the vesting of outstanding restricted share units; and
- ordinary shares reserved for issuance upon the achievement of certain milestones under the Vesimune asset purchase agreement with Telormedix SA.

SELECTED FINANCIAL DATA

The following tables present selected financial data for our business. We derived the selected statements of operations data for the years ended December 31, 2016 and 2015 and the selected balance sheet data as of December 31, 2016 and 2015 from our audited financial statements included elsewhere in this prospectus. We maintain our books and records in U.S. dollars, and prepare our financial statements in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, as issued by the Financial Accounting Standards Board, or FASB. You should read this data together with our financial statements and related notes appearing elsewhere in this prospectus and the information under the captions "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of our future results, and our interim period results are not necessarily indicative of results to be expected for a full year or any other interim period.

	YEAR ENDED DECEMBER 31,	
	2016	2015
	(in thousands, except share and per share data)	
Statements of operations data:		
Revenues	$ 17,530	$ —
Cost of revenue	28	—
Gross profit	17,502	—
Research and development expenses, net	10,287	10,515
General and administrative expenses	6,417	1,895
Operating income (loss)	798	(12,410)
Finance expenses, net	2,739	279
Net loss for the period	$ (1,941)	$ (12,689)
Loss per ordinary share, basic and diluted	$ (6.12)	$ (18.83)
Weighted average number of ordinary shares outstanding used in computing loss per share	720,477	719,060

	AS OF DECEMBER 31,	
	2016	2015
	(in thousands)	
Cash and cash equivalents	$21,362	$17,975
Working capital(1)	$18,904	$16,894
Total assets	$23,056	$19,390
Total liabilities	$ 6,749	$ 3,109
Total shareholders' equity	$16,307	$16,281

(1) Working capital is defined as total current assets minus total current liabilities.

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

The following discussion and analysis should be read in conjunction with "Selected Financial Data" and our financial statements and related notes included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. You should carefully read the "Risk Factors" section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled "Special Note Regarding Forward-Looking Statements."

Overview

We are a clinical stage biopharmaceutical company focused on developing novel therapies designed to change the standard of care for urological pathologies. We have an innovative and broad pipeline of product candidates that we believe can overcome the deficiencies of current treatment options for a variety of urological conditions with a focus on uro-oncology. Our lead product candidates, MitoGel and VesiGel, are proprietary formulations of the chemotherapy drug MMC, which is currently used for urothelial cancer treatment only in a water-based formulation as an adjuvant therapy. We are developing our product candidates as chemoablation agents, which means they are designed to remove tumors by non-surgical means, to treat several forms of non-muscle invasive urothelial cancer, including low-grade UTUC and low-grade bladder cancer. We believe that MitoGel and VesiGel, which are both local drug therapies, have the potential to significantly improve patients' quality of life by replacing costly, sub-optimal and burdensome tumor resection and kidney removal surgeries as the first-line standard of care. MitoGel and VesiGel may also reduce the need for bladder, kidney and upper urothelial tract removals, which are typically performed on patients whose cancer progresses despite undergoing tumor resection surgical procedures. Additionally, we believe that our product candidates, which are based on novel formulations of previously approved drugs, may qualify for streamlined regulatory pathways to market approval.

Our lead product candidates, MitoGel and VesiGel, are formulated using our proprietary RTGel technology. We believe that RTGel-based drug formulations, which provide for the sustained release of an active drug, may improve the efficacy of treatment of various types of urothelial cancer without compromising the safety of the patient or interfering with the natural flow of fluids from the urinary tract to the bladder. Our formulations are designed to achieve this by increasing the dwell time as well as the tissue coverage throughout the organ of the active drug. Consequently, we believe that RTGel-based drug formulations may enable us to overcome the anatomical and physiological challenges that have historically contributed to the lack of drug development for the treatment of urothelial cancer. No drugs have been approved by the FDA for the treatment of non-muscle invasive bladder cancer, or NMIBC, in more than 15 years.

Our clinical stage pipeline also includes Vesimune, our proprietary immunotherapy product candidate for the treatment of high-grade NMIBC. We acquired Vesimune from Telormedix SA, a private Swiss-based biotechnology company, in the fourth quarter of 2015.

We entered into an exclusive license agreement with Allergan Pharmaceuticals International Limited, or Allergan, a wholly owned subsidiary of Allergan plc., in October 2016, or the Allergan Agreement. Allergan paid us a nonrefundable upfront license fee of $17.5 million, and we are eligible to receive additional material milestone payments upon the successful completion of certain development, regulatory and commercial milestones. Under the Allergan Agreement, Allergan is solely responsible, at its expense, for developing, obtaining regulatory approvals for and commercializing the Licensed Products worldwide. Allergan will pay us a tiered royalty in the low single digits based on worldwide annual net sales of Licensed Products, subject to certain reductions for the market entry of competing products and/or loss of our patent coverage of Licensed Products. We are responsible for payments to any third party under our existing agreement and certain future agreement for certain RTGel-related third party intellectual properties.

We have incurred net losses in each period since our formation in 2004. We incurred net losses of $1.9 million and $12.7 million for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, our accumulated deficit was $27.2 million and $25.3 million, respectively. We expect to continue to incur losses for the foreseeable future, and our losses may fluctuate significantly from year to year. We expect that our expenses will increase substantially in connection with our ongoing activities as we:

- plan to conduct the single pivotal Phase 3 clinical trial for MitoGel, and initiate a Phase 2b clinical trial for VesiGel, each pursuant to the FDA's 505(b)(2) regulatory pathway;
- initiate an additional clinical trial for Vesimune in combination with another agent;
- continue the preclinical development of our other product candidates;
- file an NDA seeking regulatory approval for any product candidates;
- establish a sales, marketing and distribution infrastructure and scale up external manufacturing capabilities to commercialize any products for which we obtain regulatory approval;
- maintain, expand and protect our intellectual property portfolio;
- add equipment and physical infrastructure to support our research and development;
- hire additional clinical development, quality control and manufacturing personnel; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization.

Components of Results of Operations

Revenues

We do not currently have any products approved for sale and to date, we have not recognized any revenues from sales of MitoGel, VesiGel or Vesimune. During the year ended December 31, 2016, we recognized revenues of $17.5 million from a payment received under the Allergan Agreement. In the future, we may generate revenue from a combination of product sales, reimbursements, up-front payments, milestone payments, and royalties in connection with the Allergan Agreement and future collaborations. If we fail to achieve clinical success and/or to obtain regulatory approval of any of our product candidates in a timely manner, our ability to generate future revenue will be impaired.

Research and development expenses, net

The largest component of our total operating expenses has historically been, and we expect will continue to be, research and development. Research and development expenses consist primarily of:

- salaries and related costs, including share-based compensation expense, for our personnel in research and development functions;
- expenses incurred under agreements with third parties, including CROs, subcontractors, suppliers and consultants, preclinical studies and clinical trials;
- expenses incurred to acquire, develop and manufacture preclinical study and clinical trial materials;
- facility and equipment costs, including depreciation expense, maintenance and allocated direct and indirect overhead costs; and
- in process research and development costs related to intellectual property purchased from others.

We expense all research and development costs as incurred. In light of the fact that our employees and internal resources may be engaged in projects for multiple programs at any time, our focus is on total research and development expenditures, and we do not allocate our internal research and development expenses by project.

As of December 31, 2016, we have received grants of $2.1 million in the aggregate from the IIA for research and development funding. Pursuant to the terms of the grants, we are required to pay royalties to the Government of Israel on revenues from sales of products for which the research and development was funded, in whole or in part, by the IIA. Pursuant to the terms of the grants, we are obligated to pay the IIA royalties of 3.0% to 4.5% on revenues from sales of products developed from a project financed in whole or in part by IIA grants, up to a limit of 100% of the amount of the grant received, plus annual interest calculated at a rate based on 12-month LIBOR.

In addition to paying any royalties due, we must abide by other restrictions associated with receiving such grants under the R&D Law, which will continue to apply to us following full repayment to the IIA. For example, under the Allergan Agreement, Allergan has the option to manufacture products developed with IIA-funded technology outside of Israel, which would require approval from the IIA. Although Allergan has not yet exercised this option, we have requested approval from the IIA for a possible transfer. We may not receive such approval. Even if we do receive such approval, we may be required to pay increased royalties of up to 300% of the amount of the original grant and other amounts. See "Risk Factors—The Israeli government grants we have received for research and development activities restrict our ability to manufacture products and transfer technologies outside of Israel and require us, in addition to the payment of royalties, to satisfy specified conditions. If we fail to satisfy these conditions, we may be required to refund grants previously received and incur financial penalties."

We are currently focused on advancing our product candidates, and our future research and development expenses will depend on their clinical success. Research and development expenses will continue to be significant and will increase over at least the next several years as we continue to develop our product candidates and conduct preclinical studies and clinical trials of our product candidates.

We do not believe that it is possible at this time to accurately project total expenses required for us to reach commercialization of our product candidates. Due to the inherently unpredictable nature of preclinical and clinical development, we are unable to estimate with certainty the costs we will incur and the timelines that will be required in the continued development and approval of our product candidates. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. See "Risk Factors—Risks Related to Our Business and Strategy." In addition, we cannot forecast which product candidates may be subject to future collaborations, if and when such arrangements will be entered into, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Under applicable accounting rules, we deduct the IIA grants from research and development expenses as the applicable costs are incurred. We also had a preclinical collaboration for BotuGel with Allergan into which we initially entered into in February 2014. We deduct amounts received from the preclinical collaboration with Allergan from our research and development expenses as the applicable costs are incurred. As a result, our research and development expenses are shown on our financial statements net of the IIA grants and amounts received from the preclinical collaboration.

General and administrative expenses

General and administrative expenses consist primarily of personnel costs, including share-based compensation, related to directors, executive, finance, and human resource functions, facility costs and external professional service costs, including legal, accounting and audit services and other consulting fees.

We anticipate that our general and administrative expenses will increase in the future as we increase our administrative headcount and infrastructure to support our continued research and development programs and the potential approval and commercialization of our product candidates. We also anticipate that we will incur increased expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with NASDAQ and SEC requirements, director and officer insurance premiums, director compensation, and other costs associated with being a public company.

In addition, if any of our product candidates receives regulatory approval and if we determine to invest in building a commercial infrastructure to support the marketing of our products, we expect to incur greater expenses.

Finance expenses, net

Finance expenses, net, consist primarily of finance expenses on warrants.

Income taxes

We have yet to generate taxable income in Israel, as we have historically incurred operating losses resulting in carry forward tax losses totaling approximately $14.2 million as of December 31, 2016. We anticipate that we will continue to generate tax losses for the foreseeable future and that we will be able to carry forward these tax losses indefinitely to future taxable years. Accordingly, we do not expect to pay taxes in Israel until we have taxable income after the full utilization of our carry forward tax losses. We have provided a full valuation allowance with respect to the deferred tax assets related to these carry forward losses.

Results of Operations

Comparison of the years ended December 31, 2016 and 2015

The following table summarizes our results of operations for the years ended December 31, 2016 and 2015:

	YEAR ENDED DECEMBER 31,	
	2016	2015
	(In thousands)	
Revenues	$ 17,530	$ —
Cost of revenues	28	—
Gross profit	17,502	—
Research and development expenses, net (1)	10,287	10,515
General and administrative expenses (1)	6,417	1,895
Operating income (loss)	798	(12,410)
Finance expenses, net	2,739	279
Net loss	$ (1,941)	$(12,689)

(1) Includes share-based compensation expense as follows:

	YEAR ENDED DECEMBER 31,	
	2016	2015
	(In thousands)	
Research and development, net	$ 1,167	$ 170
General and administrative expenses	800	279
Total share-based compensation	$ 1,967	$ 449

Revenues

Our total revenues increased by $17.5 million from $0 in the year ended December 31, 2015 to $17.5 million in the year ended December 31, 2016, due to the nonrefundable upfront license fee received under the Allergan Agreement.

Research and development expenses

Research and development expenses decreased by $228,000, or 2%, to $10.3 million in the year ended December 31, 2016 from $10.5 million in the year ended December 31, 2015. Approximately $4.1 million of the decrease relates to in-process research and development costs in connection with intellectual property related to Vesimune that we purchased from Telormedix SA in 2015. This decrease is partly offset by an increase of $3.9 million primarily attributable to an increase in share-based compensation to consultants and employees of $997,000, an increase of $546,000 in payroll mainly due to increased headcount and a $1.2 million increase relating to research and development expense offsets in 2015 from IIA grants and from our prior preclinical collaboration with Allergan for BotuGel.

We have assessed that, of our $10.3 million aggregate research and development expenditures in 2016 (after adjusting for an aggregate $49,000 of off-setting third-party contributions) approximately 34% were allocated to the development of MitoGel, approximately 8% were allocated to the development of VesiGel, and approximately 57% were allocated to other products and unallocated expenses.

We have assessed that, of our $10.5 million aggregate research and development expenditures in 2015 (after adjusting for an aggregate $1.2 million of off-setting third-party contributions) approximately 30% were allocated to the development of MitoGel, approximately 5% were allocated to the development of VesiGel, approximately 35% were allocated to the development of Vesimune, and approximately 30% were allocated to other products and unallocated expenses.

General and administrative expenses

General and administrative expenses increased by $4.5 million, or 237%, to $6.4 million in the year ended December 31, 2016 from $1.9 million in the year ended December 31, 2015. The increase in general and administrative expenses resulted primarily from an increase in share-based compensation expenses to employees and directors of $521,000, an increase of $773,000 in payroll and an increase in professional services expenses of $2.8 million of which $1.7 million relates to this offering. The increase was primarily related to our strengthening of our senior management team and payments to professional services consultants hired by us in preparation for this offering.

Finance expenses

Finance expenses, net, increased by $2.4 million, or 800%, to $2.7 million in the year ended December 31, 2016 from $279,000 in the year ended December 31, 2015. The change in finance expense was primarily due to the increased fair value of the warrants converted to Series A-1 preferred shares.

Liquidity and Capital Resources

Liquidity

Since our inception, we have incurred losses and negative cash flows from our operations. For the year ended December 31, 2016, we incurred a net loss of $1.9 million while net cash of $4.2 million was provided from our operating activities. As of December 31, 2016, we had working capital of $18.9 million, and an accumulated deficit of $27.2 million. Our principal source of liquidity as of December 31, 2016 consisted of cash and cash equivalents of $21.4 million. As of April 3, 2017, our cash and cash equivalents totaled approximately $18.0 million. We believe that our existing cash and cash equivalents will enable us to fund our operations for at least the next 12 months.

Capital resources

Overview

Through December 31, 2016, we have financed our operations primarily through private placements of equity securities and convertible notes and through the upfront payment received under the Allergan Agreement. Total invested capital as of December 31, 2016 was $36.3 million, which included ordinary shares and Series A preferred shares and warrants to purchase Series A-1 preferred shares, as well as convertible notes. The convertible notes were issued during the first half of 2014 and converted in their entirety into Series A preferred shares and warrants to purchase Series A-1 preferred shares on October 20, 2014.

Such preferred shares will be converted into ordinary shares of the same number upon the closing of this offering, in accordance with our articles of association. The warrants to purchase preferred shares expire upon the closing of this offering. We expect that all of the warrants will be exercised for cash or on a cashless basis prior to the closing of this offering. The preferred shares issuable upon exercise of the warrants will automatically convert into ordinary shares upon the closing of this offering.

Cash flows

The following table summarizes our statement of cash flows for the years ended December 31, 2016 and 2015:

	YEAR ENDED DECEMBER 31,	
	2016	2015
	(In thousands)	
Net cash provided by (used in):		
Operating activities	$ 4,189	$ (7,175)
Investing activities	(793)	(301)
Financing activities	$ (9)	$ 21,581

Net cash provided by (used in) operating activities

The use of cash in 2015 and the cash provided in 2016 resulted primarily from our net losses adjusted for non-cash charges and measurements and changes in components of working capital. Adjustments to net loss for non-cash

items mainly include depreciation and amortization, fair value adjustment of the preferred A-1 warrants, share-based compensation and in process R&D.

Net cash provided by operating activities was $4.2 million in the year ended December 31, 2016, compared to $7.2 million used in operating activities in the year ended December 31, 2015. The $11.4 million increase was attributable primarily to the decrease of $10.8 million in the loss for the year which mainly related to the $17.5 million revenue from Allergan, partly offset by an increase of $4.5 million in general and administrative expenses as a result of strengthening our senior management team and payments to professional services consultants hired by us in preparation for this offering.

Net cash used in investing activities

The use of cash in investing activities relates primarily to the purchase of property and equipment and changes in restricted deposits.

Net cash used in investing activities was $793,000 in the year ended December 31, 2016, compared to $301,000 in the year ended December 31, 2015. The use of cash in investing activities mainly related to leasehold improvements in the Israel and the US offices.

Net cash provided by (used in) financing activities

Net cash used in financing activities was $9,000 in the year ended December 31, 2016, compared to $21.6 million provided by financing activities in the year ended December 31, 2015, the difference of which mainly related to funds raised pursuant to the 2015 and 2014 Share Purchase Agreements.

In October 2015, we entered into a share purchase agreement, to which we refer as the 2015 Share Purchase Agreement. In September 2014, we entered into a Share Purchase Agreement, to which we refer as the 2014 Share Purchase Agreement. During 2015, we raised $18.1 million from the 2015 Share Purchase Agreement and $3.6 million from the 2014 Share Purchase Agreement.

Funding Requirements

We believe that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

Our present and future funding requirements will depend on many factors, including, among other things:

- the progress, timing and completion of clinical trials for MitoGel and VesiGel;
- and preclinical studies and clinical trials for Vesimune or any of our other product candidates;
- the costs related to obtaining regulatory approval for MitoGel, VesiGel and Vesimune and any of our other product candidates, and any delays we may encounter as a result of regulatory requirements or adverse clinical trial results with respect to any of these product candidates;
- selling, marketing and patent-related activities undertaken in connection with the commercialization of MitoGel and VesiGel and any of our other product candidates, and costs involved in the development of an effective sales and marketing organization;
- the costs involved in filing and prosecuting patent applications and obtaining, maintaining and enforcing patents or defending against claims or infringements raised by third parties, and license royalties or other amounts we may be required to pay to obtain rights to third party intellectual property rights;
- potential new product candidates we identify and attempt to develop; and
- revenues we may derive either directly or in the form of royalty payments from future sales of MitoGel, VesiGel, Vesimune, BotuGel and any other product candidates.

For more information as to the risks associated with our future funding needs, see “Risk Factors—We will require substantial additional financing to achieve our goals, and a failure to obtain this capital when needed and on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our product development, commercialization efforts or other operations.”

Contractual obligations and commitments

Our known contractual obligations as of December 31, 2016 are summarized in the following table. The obligations detailed below do not include grants received from the IIA pursuant to which we will owe royalties or reimbursement upon commercialization of our product candidates. As of December 31, 2016, the maximum royalty amount payable by us under these funding arrangements is $2.1 million, excluding interest.

	PAYMENTS DUE BY PERIOD			
	LESS THAN 1 YEAR	1 TO 3 YEARS	3 TO 7 YEARS	TOTAL
		(In thousands)		
Operating lease obligations (1)	$ 400	$ 756	$ 656	$1,812

(1) Operating lease obligations consist of payments pursuant to a lease agreement for our Israeli offices and laboratory facility and our NY offices.

In November 2014, we entered into a new lease agreement for our Israeli offices effective from February 1, 2015 for a period of three years, with an option to extend the lease agreement by an additional three years. In April 2016, we signed an addendum to the November 2014 lease agreement in order to increase the office space rented and extend the rental period.

UroGen Pharma, Inc. entered into a new lease agreement for its New York office for a period of seven years, which period commenced on May 1, 2016.

Off-balance Sheet Arrangements

As of the date of this prospectus and during the periods presented, we do not and did not, respectively, have any off- balance sheet arrangements.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to changes in market prices, including interest rates and foreign exchange rates, of financial instruments that may adversely impact our financial position, results of operations or cash flows.

Foreign currency exchange risk

The U.S. dollar is our functional and reporting currency. However, a significant portion of our operating expenses are incurred in NIS. As a result, we are exposed to the risk that the NIS may appreciate relative to the dollar, or, if the NIS instead devalues relative to the dollar, that the inflation rate in Israel may exceed such rate of devaluation of the NIS, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the dollar cost of our operations in Israel would increase and our dollar-denominated results of operations would be adversely affected. We cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation, if any, of the NIS against the dollar. For example, although the dollar appreciated against the NIS in 2015 by 0.3%, the level of devaluation of the dollar against the NIS in 2016 was 1.5%. If the dollar cost of our operations in Israel increases, our dollar-measured results of operations will be adversely affected. Our operations also could be adversely affected if we are unable to effectively hedge against currency fluctuations in the future.

We do not currently engage in currency hedging activities in order to reduce this currency exposure, but we may begin to do so in the future. Instruments that may be used to hedge future risks may include foreign currency forward and swap contracts. These instruments may be used to selectively manage risks, but there can be no assurance that we will be fully protected against material foreign currency fluctuations.

Liquidity risk

We monitor forecasts of our liquidity reserve (comprising cash and cash equivalents and deposits). We generally carry this out based on our expected cash flows in accordance with practice and limits set by our management. We are in the research and development stage and we are therefore exposed to liquidity risk. However, we believe that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with U.S. GAAP, as issued by the FASB. The

preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in the notes to our financial statements appearing elsewhere in this prospectus, we believe that the accounting policies discussed below are critical to our financial results and to the understanding of our past and future performance, as these policies relate to the more significant areas involving management's estimates and assumptions. We consider an accounting estimate to be critical if: (i) it requires us to make assumptions because information was not available at the time or it included matters that were highly uncertain at the time we were making our estimate and (ii) changes in the estimate could have a material impact on our financial condition or results of operations.

Share-Based Compensation

We account for our share-based compensation for employees and directors in accordance with the provisions of ASC 718, Compensation—Stock Compensation, U.S. GAAP "Stock-based Payment," which requires us to measure the cost of share-based compensation based on the fair value of the award on the grant date.

We re-measure equity awards granted to non-employees at each reporting period at fair value until they have vested. The fair value of equity awards is charged to the statement of operations over the service period using the straight- line method.

Option Valuations

We selected the Black-Scholes option pricing model as the most appropriate method for determining the estimated fair value of our share-based awards. The resulting cost of a share incentive award is recognized as an expense over the requisite service period of the award, which is usually the vesting period. We recognize compensation expense over the vesting period using the straight-line method, and classify these amounts in the financial statements based on the department to which the related employee reports.

The determination of the grant date fair value of options using an option pricing model is affected by estimates and assumptions regarding a number of complex and subjective variables. These variables include the expected volatility of our share price over the expected term of the options, share option exercise and cancellation behaviors, risk-free interest rates and expected dividends, which are estimated as follows:

- *Fair value of our ordinary shares*. Because our shares are not publicly traded, we must estimate the fair value of ordinary shares, as discussed below in "—Valuation of our ordinary shares."
- *Volatility*. The expected share price volatility was based on the historical volatility of the ordinary shares of comparable companies that are publicly traded.
- *Expected term*. The expected term of options granted represents the period of time that options granted are expected to be outstanding. Since adequate historical experience is not available to provide a reasonable estimate, the expected term for grants to employees for at the money options (except senior management) is determined based on the midpoint between the available exercise dates (the end of the vesting periods) and

  the last available exercise date (the contracted expiry date). The expected term for grants to non-employees, senior management, directors, and out of the money options granted to employees, is determined based on the contractual life of the options.
- *Risk-free rate*. The risk-free interest rate is based on the yield from U.S. Treasury zero-coupon bonds with a term equivalent to the expected term of the options.
- *Expected dividend yield*. We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.

If any of the assumptions used in the Black-Scholes option pricing model change significantly, share-based compensation for future awards may differ materially compared with the awards granted previously.

The following table presents the weighted-average assumptions used to estimate the fair value of options granted on the dates indicated below.

	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
Expected volatility (%)	72.72 - 80.00	69.78 - 76.68
Expected term (years)	5.8 - 8.5	1 - 7
Risk-free rate (%)	1.4 - 2.27	0.38 - 2.08
Expected dividend yield (%)	—	—

The following table presents the grant dates, number of underlying shares and related exercise prices of options granted to employees and non-employees since January 1, 2015, as well as the estimated fair value of the underlying ordinary shares on the grant date.

DATE OF GRANT	NUMBER OF SHARES SUBJECT TO AWARDS GRANTED	CLASS OF SHARES SUBJECT TO THE AWARDS GRANTED	TYPE OF EQUITY INSTRUMENT AWARDED	EXERCISE PRICE PER SHARE	ESTIMATED FAIR VALUE PER ORDINARY SHARE AT GRANT DATE
August - September 2015	91,065(1)	ordinary	Options and RSUs	$0-16	$ 9.64
October - December 2015	316,000(2)	ordinary	Options	$5.7-19	$ 9.54
January 2016	61,111	ordinary	Options	$16	$ 9.54
April - June 2016	84,657	ordinary	Options	$0-19	$10.21 - 10.48
November 2016	22,000	ordinary	Options	$19	$ 17.73

(1) Includes 9,000 ordinary shares issuable upon the vesting of restricted share units, which were granted contingent upon the consummation of the completed purchase of intellectual property from Telormedix SA, and excludes 9,000 ordinary shares issuable upon the vesting of restricted share units, the grant of which is contingent upon the closing of this offering.

(2) Excludes 3,000 ordinary shares issuable upon the vesting of options, the grant of which is contingent upon the closing of this offering.

Based on the assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, the intrinsic value of the awards outstanding as of December 31, 2016 was $ million, of which $ million related to vested options and $ million related to unvested options.

Valuation of our ordinary shares

Due to the absence of an active market for our ordinary shares, the fair value of our ordinary shares for purposes of determining the exercise price for award grants was determined in good faith by our management during the fourth quarter of 2015 in relation to grants up to September 30, 2015 and during the first, second, third and fourth quarters of 2016. In connection with preparing our financial statements, our management considered the fair value of our ordinary shares based on a number of objective and subjective factors, consistent with the methodologies outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held- Company Equity Securities Issued as Compensation, referred to as the AICPA Practice Aid.

2010-2013 Awards

The ordinary share price was estimated based on the price at which the most recent financing (from external investors) took place, based on our assumption that no significant changes have occurred between the financing closing date and the grant date.

2014 Awards

The ordinary share price was derived from the price used in the financing round on October 20, 2014, based on our assumption that no significant changes have occurred between grant date and the financing round closing date. The derivation of ordinary share price was performed under the option pricing method, or OPM, valuation framework, as described below.

2015 and 2016 Awards

The ordinary share price was estimated based on valuations performed as of September 30, 2015, November 15, 2015, December 31, 2015, March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, as described below, and based on our assumption that no significant changes have occurred between grant date and the valuation date.

Fair value of our ordinary shares for 2014 Awards—Methodology

The valuation of the ordinary shares as of October 20, 2014 was performed under the OPM framework and using the Backsolve method, which infers the equity value consistent with the financing round on October 20, 2014. The OPM method is regarded as a common framework for allocating the equity value between the different share classes and other securities. Under this approach, the financial instruments issued by the company (preferred shares, warrants, employee options and ordinary shares) are deemed as contingent claims whose future payoffs depends on our (future) equity value. The OPM was implemented by using the Monte Carlo simulation technique, which generates different scenarios of the equity value and the resulting payoff to the holders of our financial instruments.

The underlying asset, or the equity value, was estimated by implementing the Backsolve method,

Following the above allocation process, we applied a discount of lack of marketability, or DLOM, to the price of an ordinary share. Specifically, we applied the average strike put option in order to estimate the DLOM.

Fair value of our ordinary shares for 2015 and 2016 Awards—Methodology

The probability of an IPO event in the near future was estimated to be 20% as of December 31, 2016, September 30, 2016, June 30, 2016 and March 31, 2016, and 15% as of December 31, 2015. The valuation was conducted through the use of the Hybrid model. The Hybrid approach combines two probability-weighted scenarios:

- Scenario I—IPO Event. The probability of this scenario was estimated at 20% and 15% as of the valuation dates described above.
  The valuation of our financial instruments was based on the estimated range of equity value upon an IPO and the resulting payoff per each financial instrument.
- Scenario II—Liquidation Event. The probability of this scenario was estimated at 80% and 85% as of the valuation dates described above.
  The valuation of the ordinary share price under this scenario was performed under the OPM framework using the Monte Carlo simulation technique, in similar fashion to the approach used for the 2014 valuation, as described above.
  As of September 30, 2015, the financing round in October 2015 was highly expected to be closed. As such the equity value used in the OPM method was derived from this financing round (the Backsolve method). The closing date of this round was November 15, 2015.

As of September 30, 2016, the equity value used in the OPM method was derived from the financing round in October 2015 and the incremental value derived from the Allergan Agreement.

As of December 31, 2016, the equity value used in the OPM method was derived from a DCF calculation.

We applied a DLOM to the ordinary share price, using the average strike put option.

The fair value of an ordinary share was calculated as the weighted average of the ordinary share prices, derived from the calculations made under the two scenarios described above.

Future option awards

Following the completion of our initial public offering and the listing of our shares on the NASDAQ Global Market, the determination of the fair market value of our ordinary shares for purposes of setting the exercise price of future option awards or other share-based compensation to employees and other grantees will be based on the market price of our shares and will no longer require good faith estimates by our board of directors based on various comparisons or benchmarks.

Accounting treatment of the warrants to purchase preferred shares

Our warrants to purchase preferred shares are exercisable into Series A-1 preferred shares of the company, nominal value NIS 0.01 per share, for an exercise price of $25.00 per share commencing on the date of the issuance and expiring at the earlier of a qualified IPO, certain M&A events, or four years from the date of issuance.

In the event that the warrants are exercised in connection with a qualified IPO or certain M&A events, the holder may elect to convert the warrants on a net share basis.

The warrants are classified as liabilities in accordance with ASC 480, as they are freestanding instruments, exercisable into Series A-1 preferred shares, which are redeemable upon certain events that represent "Deemed Liquidation" events. Accordingly, the warrants are measured at fair value at the end of every reporting period, and changes in their fair value are recognized in earnings.

Accounting treatment of the Series A Preferred Shares

The Series A preferred shares are classified within permanent equity because they are not subject to liability classification under the scope of ASC 480, and because they meet all of the requirements for equity classification under ASC 480-10S99.

Accounting treatment of intellectual property assets purchased from Telormedix SA

In October 2015, we entered into an asset purchase agreement with Telormedix SA pursuant to which we purchased all of the intellectual property assets of Telormedix in consideration of 216,000 shares of our Series A preferred shares at a price per share of $19.00. Upon the occurrence of any one of three specified regulatory milestones, we are required to issue an additional 29,000 Series A preferred shares, or 29,000 ordinary shares in the event any milestone is achieved following the completion of this offering. If all three milestones are achieved, we would be required to issue in total an aggregate of 87,000 Series A preferred shares, or 87,000 ordinary shares in the event the milestones are achieved after the completion of this offering.

The acquired intellectual property costs totaling $4.1 million were expensed as incurred to research and development costs in accordance with ASC 730, as the intellectual property is purchased from others for a particular research and development project and has no alternative future uses and therefore no separate economic value.

Revenue recognition

Virtually all the Company's revenues are derived from the license agreement with Allergan, to license worldwide rights to some of its products. Revenue is recognized only when all of the following conditions have been met: (i) there is persuasive evidence of an arrangement; (ii) delivery has occurred: (iii) the fee is fixed or determinable: and (iv) collectability of the fee is reasonably assured.

The license agreement contains two deliverables: (a) the license component and (b) Allergan's right to require supply services of RTGel vials from the Company.

In an arrangement with multiple deliverables, the delivered item or items shall be considered a separate unit of accounting if all of the following criteria are met:

(a) The delivered item or items have value to the customer on a standalone basis. The item or items have value on a standalone if they are sold separately by any vendor or the customer could resell the delivered item(s) on a standalone basis. In the context of a customer's ability to resell the delivered item(s), this criterion does not require the existence of an observable market for the deliverable(s), (b) If the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item or items is considered probable and substantially in the control of the vendor.

When deliverables are separable, arrangement consideration is allocated to the separate units of accounting based on the relative selling price of each deliverable (where the amount allocable to the delivered element is limited to the amount not contingent on the delivery of future products or services) and the appropriate revenue recognition principles are applied to each unit.

The license component has standalone value (and therefore is accounted for separately from the supply services) since Allergan can use the license for its intended purposes without the Company's supply services. The four

conditions of ASC 605 were met as of December 31, 2016: (1) persuasive evidence of an arrangement exists since the Company and Allergan engaged with a binding agreement; (2) delivery has occurred or services have been rendered since all documents and data Allergan has requested relating to the Company's know-how were provided before December 31, 2016 and Allergan can use the license for its intended purposes without the supply services (except for immaterial support services); (3) the fee is fixed or determinable, as indicated in the license agreement; and (4) collectability is reasonably assured.

Therefore, as of December 31, 2016, the consideration received in an amount of $17.5 million represents arrangement consideration for both the license of the intellectual property as well as Allergan's right to future supply services (which would be provided in consideration for future payments to the Company according to the pricing stipulated in the supply agreement). The Company determined that the pricing of the supply services represents their standalone selling price. Accordingly, the Company allocated the entire upfront fee of $17.5 million to the license component. In addition, revenue from the supply services would be recorded in an amount equal the consideration stipulated in the agreement for these services, when these services are provided.

As described in Note 1, the Company is also entitled to milestone payments and royalties based on Allergan's revenue from its product, which are not considered fixed or determinable until their occurrence. Therefore, these amounts would only be recognized when the conditions for payment are met, and they become due and payable.

Deferred taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is recognized to the extent that it is more likely than not that the deferred taxes will not be realized in the foreseeable future. We have provided a full valuation allowance with respect to its deferred tax assets.

Recent Accounting Pronouncements

See note 2q of the accompanying financial statements.

Internal Control Over Financial Reporting

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, could have a material adverse effect on our business, results of operation or financial condition. In addition, current and potential shareholders could lose confidence in our financial reporting, which could have a material adverse effect on the price of our ordinary shares. Pursuant to Section 404 of the Sarbanes-Oxley Act and the related rules adopted by the SEC and the Public Company Accounting Oversight Board, starting with the second annual report that we file with the SEC after the consummation of this offering, our management will be required to report on the effectiveness of our internal control over financial reporting. In addition, once we no longer qualify as an "emerging growth company" under the JOBS Act and lose the ability to rely on the exemptions related thereto discussed above, our independent registered public accounting firm will also need to attest to the effectiveness of our internal control over financial reporting under Section 404. We have not yet commenced the process of determining whether our existing internal controls over financial reporting systems are compliant with Section 404 and whether there are any material weaknesses or significant deficiencies in our existing internal controls. This process will require the investment of substantial time and resources, including by our Chief Financial Officer and other members of our senior management. In addition, we cannot predict the outcome of this determination and whether we will need to implement remedial actions in order to implement effective control over financial reporting. The determination and any remedial actions required could result in us incurring additional costs that we did not anticipate. Irrespective of compliance with Section 404, any failure of our internal controls could have a material adverse effect on our stated results of operations and harm our reputation. As a result, we may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these changes. If we are unable to implement any of the required changes to our internal control over financial reporting effectively or efficiently or are required to do so earlier than anticipated, it could adversely affect our operations, financial reporting and/or results of operations and could result in an adverse opinion on internal controls from our independent auditors.

JOBS Act

As an “emerging growth company,” as defined in the JOBS Act, we may take advantage of certain temporary exemptions from various reporting requirements, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes Oxley Act (and the rules and regulations of the SEC thereunder). When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

The JOBS Act additionally permits emerging growth companies such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have irrevocably elected not to avail ourselves of this provision and, as a result, we will comply with new or revised accounting standards as other public companies that are not emerging growth companies.

BUSINESS

Overview

We are a clinical stage biopharmaceutical company focused on developing novel therapies designed to change the standard of care for urological pathologies. We have an innovative and broad pipeline of product candidates that we believe can overcome the deficiencies of current treatment options for a variety of urological conditions with a focus on uro-oncology. Our lead product candidates, MitoGel and VesiGel, are proprietary formulations of the chemotherapy drug Mitomycin C, or MMC, a generic drug, which is currently used off-label for urothelial cancer treatment only in a water-based formulation as an adjuvant, or supplemental post-surgery, therapy. We are developing our product candidates as chemoablation agents, which means they are designed to remove tumors by non-surgical means, to treat several forms of non-muscle invasive urothelial cancer, including low-grade upper tract urothelial carcinoma, or UTUC, and low-grade bladder cancer. We believe that MitoGel and VesiGel, which are both local drug therapies, have the potential to significantly improve patients' quality of life by replacing costly, sub-optimal and burdensome tumor resection and kidney removal surgeries as the first-line standard of care. MitoGel and VesiGel may also reduce the need for bladder, kidney and upper urothelial tract removals, which are typically performed on patients whose cancer progresses despite undergoing tumor resection surgical procedures. Additionally, we believe that our product candidates, which are based on formulations of previously approved drugs, may qualify for streamlined regulatory pathways to market approval.

Our lead product candidates, MitoGel and VesiGel, are formulated using our proprietary reverse thermally triggered hydrogel, or RTGel, technology. We believe that RTGel-based drug formulations, which provide for the sustained release of an active drug, may improve the efficacy of treatment of various types of urothelial cancer without compromising the safety of the patient or interfering with the natural flow of fluids from the urinary tract to the bladder. Our formulations are designed to achieve this by increasing the dwell time as well as the tissue coverage throughout the organ of the active drug. Consequently, we believe that RTGel-based drug formulations may enable us to overcome the anatomical and physiological challenges that have historically contributed to the lack of drug development for the treatment of urothelial cancer. No drugs have been approved by the U.S. Food and Drug Administration, or the FDA, for the treatment of non-muscle invasive bladder cancer, or NMIBC, in more than 15 years.

We are currently evaluating the safety and efficacy of MitoGel, our novel sustained-release formulation of MMC, in UTUC patients pursuant to an ongoing "Compassionate Use" program. "Compassionate Use" is the use outside of a clinical trial of an investigational, or not approved, medical product when patient enrollment in a clinical trial is not possible, typically due to patient ineligibility or a lack of ongoing clinical trials. Of the 13 patients with confirmed low-grade UTUC who have been evaluated endoscopically, or through the use of a nonsurgical viewing instrument to examine the urinary tract, in the program, eight have achieved a complete response and five have achieved a partial response at the primary evaluation time. Thus far, MitoGel has been observed to be well-tolerated. We have obtained Orphan Drug Designation for MitoGel for the treatment of UTUC. We filed an investigational new drug, or IND, application for MitoGel with the FDA in November 2016, which was accepted by the FDA in December 2016. We commenced a single pivotal, open-label, single-arm Phase 3 clinical trial for the treatment of low-grade UTUC in the first quarter of 2017. The clinical trial is being conducted in the United States and Europe with anticipated enrollment of approximately 70 patients. We intend to pursue the FDA's 505(b)(2) regulatory pathway for MitoGel, which is a streamlined, lower-cost and more well-defined pathway to drug approval when compared to traditional drug development. We believe that MitoGel has the potential to become the first FDA-approved drug for the treatment of low-grade UTUC and to serve as a first-line chemoablation agent, sparing patients from repeated tumor resection surgeries and potentially reducing the need for kidney and upper urothelial tract removal.

In addition, we are currently evaluating the safety and efficacy of VesiGel, our novel sustained-release high dose formulation of MMC, for the treatment of low-grade NMIBC in a Phase 2a study being conducted in Europe and Israel. This study is expected to be completed in the second quarter of 2017. To date, 19 of 22, or 86%, of the patients with confirmed low-grade NMIBC evaluated in our ongoing Phase 2a clinical trial who were treated in the VesiGel high dose group (80mg MMC) achieved a complete response at the primary evaluation time. Approximately 79% of the patients who achieved a complete response at the primary evaluation time and who have been followed for 12 months thereafter, without receiving any additional treatments, remained recurrence free and were able to sustain a durable complete response during those 12 months. This compares to approximately 40% to 60% of

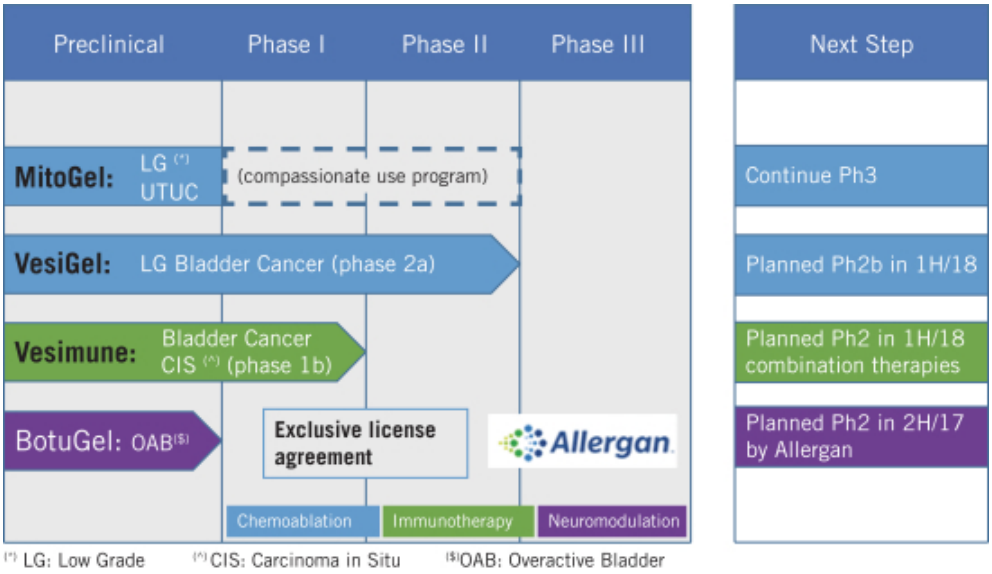
patients who historically have been able to sustain a 12-month durable complete response following transurethral resection of bladder tumor, or TURBT, as first-line treatment followed by adjuvant treatments of MMC instillations into the bladder. We plan to file an IND for VesiGel in the second half of 2017, and, if accepted, to commence a Phase 2b U.S. based clinical trial for VesiGel shortly thereafter. We also intend to pursue a 505(b)(2) regulatory pathway for VesiGel. We believe that VesiGel has the potential to replace tumor resection surgery and become the new first-line standard of care for the treatment of low-grade NMIBC to replace tumor resection surgery as first-line treatment.

We believe that urothelial cancer, which is comprised of bladder cancer and UTUC, affects a large and underserved patient population. Annual expenditures for Medicare alone in the United States for the treatment of urothelial cancer were estimated to be at least $4 billion in 2010 and are projected to be at least $5 billion in 2020. The majority of the historical expenditures was spent on tumor resection surgeries such as TURBT and bladder, kidney and upper urothelial tract removal. In 2012, the estimated prevalence of urothelial cancer in the United States was 625,000 with an annual incidence of approximately 80,000. The 2012 prevalence of each of low-grade NMIBC and low-grade UTUC in the United States was approximately 325,000 and 14,500, respectively.

Our clinical stage pipeline also includes Vesimune, our proprietary immunotherapy product candidate for the treatment of high-grade NMIBC. Vesimune is a novel, liquid formulation of Imiquimod, a generic toll-like receptor 7, or TLR7, agonist. Toll-like receptor agonists play a key role in initiating the innate immune response system. We believe that the combination of Vesimune with additional immunotherapy drugs, such as immune checkpoint inhibitors or chemotherapy drugs like VesiGel, could represent a valid alternative to the current standard of care for the post TURBT adjuvant treatment of high-grade NMIBC. BotuGel is our proprietary novel RTGel-based formulation of BOTOX, a branded drug, that we believe can potentially serve as an effective treatment option for patients suffering from overactive bladder. In October 2016, we announced the licensing of the worldwide rights to BotuGel to Allergan Pharmaceuticals International Limited, or Allergan, a wholly owned subsidiary of Allergan plc, which plans to commence a Phase 2 clinical trial of BotuGel in the second half of 2017, pursuant to the exclusive license agreement we entered into with Allergan in October 2016, or the Allergan Agreement.

Our Product Candidate Pipeline

The following chart summarizes the current status of our product candidate pipeline.



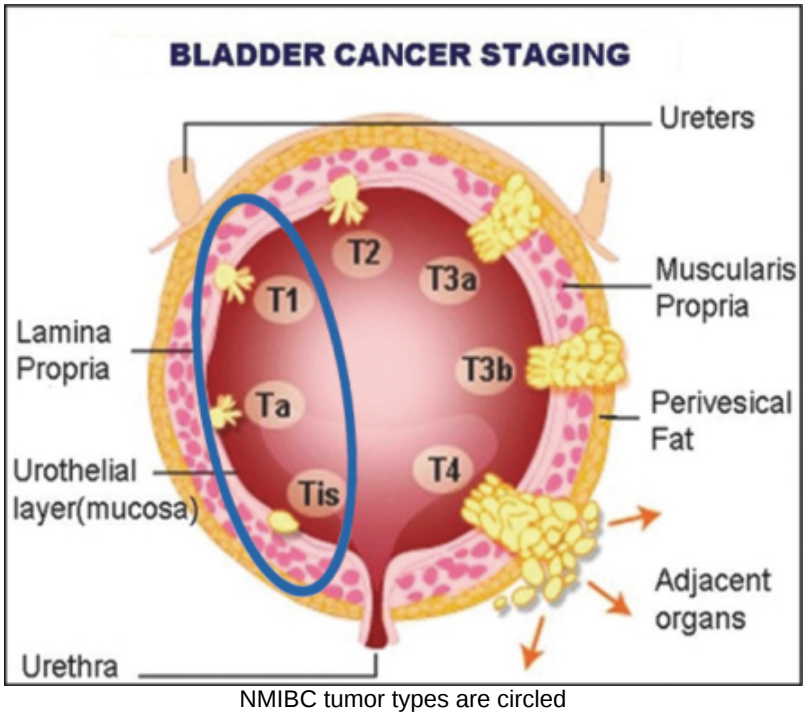
Uro-Oncological Indications Targeted by Our Product Candidates

Our product candidates are administered locally using the standard practice of intravesical instillation directly into the bladder or upper urothelial tract via a catheter. The instillation into the bladder is expected to take place in a physician's office as a same-day treatment, in comparison with TURBT or similar tumor surgical procedures, which

are operations conducted under general anesthesia in a hospital setting and often require at least an overnight stay. Tumor surgical procedures often have limited success due to the inability to properly identify, reach and resect all tumors. We believe that an effective chemoablation agent can potentially provide better eradication of tumors irrespective of the detectability and location of the tumors. In addition, by removing the need for surgery, patients may avoid potential complications associated with surgery and hospital-acquired infections.

Bladder Cancer

The bladder is a hollow organ in the pelvis with flexible muscular walls. Its main function is to store urine before it leaves the body. Urine is produced by the kidneys and is then carried to the bladder through the upper urothelial tract tubes, called ureters. The bladder wall has four main layers. The innermost lining is comprised of cells called urothelial or transitional cells, and this inner layer is called the urothelium or transitional epithelium. Beneath the urothelium, there is a layer called the lamina propria. Next is a thick layer of muscle called the muscularis propria followed by a layer of perivesical fat.

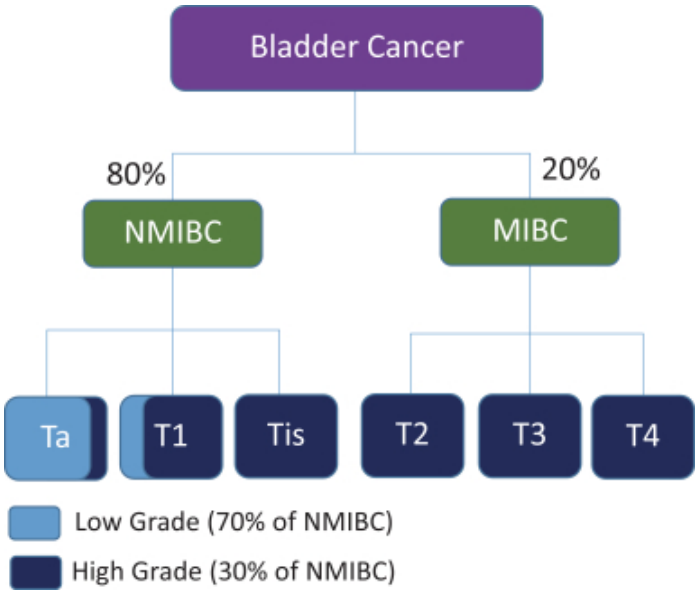


NMIBC tumor types are circled

Bladder cancer accounts for approximately 90% to 95% of all new cases of urothelial cancer in the United States, with a prevalence of approximately 580,000. Bladder cancer is nearly three to four times more common in men than women, and, with an average age at diagnosis of 73, mostly affects the elderly. Bladder cancers are described as non-muscle invasive or muscle-invasive based on how far into the wall of the bladder they have invaded. The magnitude and rate of the spreading of the cancer is called “staging,” which ranges from Ta to T1 for NMIBC, and T2 to T4 for muscle-invasive bladder cancers, as defined by the American Joint Committee on Cancer TNM System. In addition, Carcinoma in Situ, or CIS, a form of NMIBC, has a staging designation of Tis. Muscle-invasive bladder cancer, or MIBC, has an average five-year survival rate of 15% to 63%, depending on severity. MIBC represents a worse prognosis than NMIBC, which has a five-year survival rate of approximately 90%. NMIBC accounts for approximately 80% of all new cases of bladder cancer diagnosed in the United States each year, which corresponds to an estimated annual incidence and prevalence of approximately 60,000 and 465,000 cases, respectively.

Non-muscle invasive bladder cancers are divided into two grades, low and high, with high-grade tumors more likely to recur and progress into muscle-invasive tumors. CIS tumors are all high-grade. Overall, approximately 70% of patients with NMIBC present with low-grade disease at diagnosis.

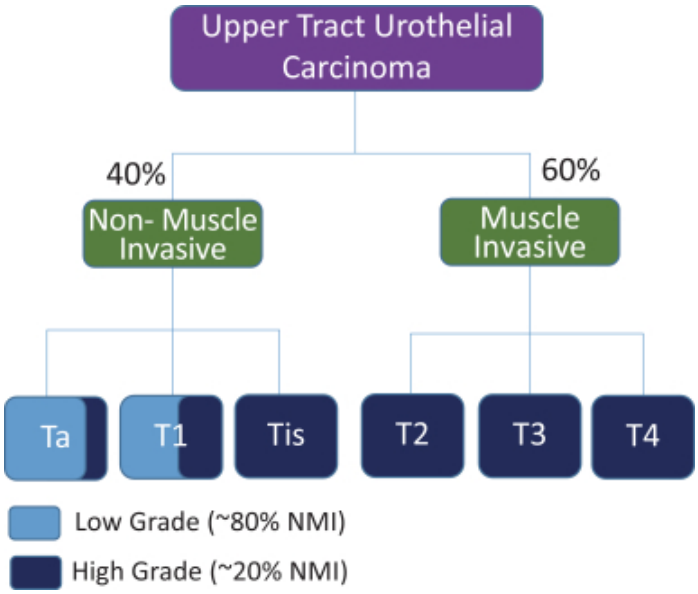
The chart below indicates the prevalence of stage and grade of bladder cancer in the United States.



Upper Tract Urothelial Carcinoma

UTUC refers to malignant changes of the transitional urothelial cells lining the upper urothelial tract of the renal pelvis and ureter. UTUC typically exhibits high local recurrence and development of metastases. Similar to NMIBC, the prognosis of patients with UTUC correlates with the stage and grade of disease at the time of initial diagnosis. The key prognostic factor at the time of diagnosis of UTUC is whether the tumor is in the muscle-invasive or non-muscle invasive stage. The number, size and location of tumors presented also represent important prognostic factors for UTUC. Approximately 40% of the patients diagnosed annually with UTUC in the United States present with non-muscle invasive UTUC. Non-muscle invasive UTUC is also divided into two grades, low and high. In two studies conducted in 1997 and 2003 of 30 and 20 patients with non-muscle invasive UTUC, 87% and 75% of patients were diagnosed with low-grade non-muscle UTUC, respectively.

The chart below indicates the prevalence of stage and grade of UTUC in the United States.



UTUC accounts for approximately 5% to 10% of all new cases of urothelial cancer, which corresponds to an estimated annual incidence in the United States of up to 7,500 cases. In 2012, the estimated prevalence of UTUC in the United States was approximately 45,000, of which approximately 14,500 had low-grade disease. UTUC is nearly three times more common in men than women and affects mostly the elderly.

There are currently no drugs approved by the FDA for the treatment of UTUC, representing a significant unmet medical need. Moreover, the anatomical complexity of the upper urothelial tract, particularly the renal pelvis, presents significant challenges to the proper identification and ability to reach and resect all tumors in tumor resection surgical procedures. Consequently, patients with high-grade disease or patients with low-grade disease that present with a large number of tumors typically undergo nephroureterectomy, which is kidney and upper urothelial tract removal. In addition, the stage and grade of UTUC are often misdiagnosed, which we believe is due to the structural complexity of the upper urothelial tract. Due to these factors, the current standard of care for the treatment of UTUC is nephroureterectomy.

Tumor resection, which aims to be a kidney sparing surgical procedure, is conducted only in patients with low-grade disease that present with a limited number of tumors. Such procedures are followed by adjuvant chemotherapy treatment, typically with MMC. However, the upper urothelial tract's anatomical constraints limit the effectiveness of surgical procedures and adjuvant chemotherapy treatments, leading to high rates of recurrence and risk for progression in this patient population. In a study published in 2009 in the Journal of Endourology evaluating 57 patients with low-grade UTUC who underwent tumor resections, 89.5% of patients with a mean of 5.5 recurrences per patient over a four-year period. Moreover, approximately 20% of the patients in this study progressed and ultimately underwent kidney and upper tract removal.

We believe that because tumor resection procedures followed by adjuvant chemotherapy therapy are sub-optimal, nephroureterectomy is often used even in patients that may be otherwise candidates for organ sparing treatments.

Non-Muscle Invasive Bladder Cancer

Patients treated with the current standard of care have up to an approximately 60% rate of recurrence of NMIBC within one year, and the rate of progression of NMIBC to MIBC is between 20% and 30%. As a consequence, NMIBC patients often undergo multiple repeat TURBT procedures and adjuvant chemotherapy and immunotherapy treatments.

The standard of care for treating NMIBC patients is TURBT followed by adjuvant chemotherapy or immunotherapy treatment. TURBT is a surgical operation for tumor removal conducted under general anesthesia in a hospital setting and often requires at least an overnight stay. Moreover, TURBT's success is tied to the physician's ability to overcome challenges in properly identifying, reaching and resecting all tumors. No drugs have been approved by the FDA as first-line treatment for NMIBC and only three drugs have been approved by the FDA for NMIBC, all used as adjuvant treatment, following TURBT. Efficacy of drug treatments has historically been limited due to challenges presented by bladder physiology, specifically the fact that urine is produced and voided frequently, thus diluting the concentration of the drug almost immediately and causing the excretion of the drug from the bladder at first urine voiding.

Our Competitive Strengths

We believe our lead product candidates for uro-oncology, which are being developed by leveraging our expertise in drug development and our proprietary formulation technology, have the ability to replace the costly, sub-optimal and burdensome tumor resection procedures that represent the current first-line standard of care. Furthermore, we believe our proprietary formulation technology has broad applications and may allow us to develop additional product candidates for indications within and beyond the urinary tract.

Potential ability to develop non-surgical, first-line drug therapies for uro-oncology. Leveraging our innovative formulation technology, we are developing two lead product candidates, MitoGel and VesiGel, as potential replacements to first-line treatment for low-grade UTUC and NMIBC, respectively. Both MitoGel and VesiGel are chemoablation agents designed to overcome the challenges posed by the anatomy of the urinary tract by increasing the dwell time and enhancing the tissue coverage of MMC. Clinical data generated to date supports our belief that our lead product candidates may be able to replace the current first-line tumor surgical procedures, providing a chemoablation treatment that has the potential to better eradicate tumors irrespective of their detectability and location within the urinary tract. To date, of the 13 low-grade UTUC patients treated with MitoGel in an ongoing Compassionate Use program and evaluated endoscopically for efficacy, eight have achieved a complete response and the remaining five have achieved a partial response at the primary evaluation time. In the case of VesiGel, to date, 19 of 22, or approximately 86%, of the patients treated with the high dose of VesiGel in the ongoing Phase 2a trial, which is evaluating the efficacy and safety of VesiGel's chemoablation properties, achieved a complete response at the primary evaluation time.

Expertise in developing proprietary formulations of drugs for clinical benefit. We focus on developing proprietary RTGel formulations of previously approved drugs whose efficacy for a particular indication is limited by current formulations or routes of administration. While we have not yet brought a drug to market, our expertise has enabled us to develop proprietary RTGel-based formulations for several previously approved drugs to date, including clinical stage proprietary formulations of MMC and botulinum toxin. Our formulations are designed to significantly increase the dwell time and exposure of the drugs to the target sites and limit the need for urine retention, potentially providing enhanced clinical activity, reduced patient burden and increased patient compliance over existing formulations and modes of administration. With over 10 Ph.Ds. and medical doctors on our staff, we have a strong research and development team to advance our product candidates.

Lower development risks and costs for our pipeline product candidates. We expect the approval process for each of our current uro-oncology product candidates to be conducted according to the FDA's 505(b)(2) regulatory pathway, a streamlined, lower-cost and more well-defined pathway to drug approval when compared to traditional drug development. Furthermore, two of our product candidates, MitoGel and Vesimune, have received Orphan Drug Designation from the FDA for the treatment of UTUC and CIS, respectively, which we expect will provide seven years of marketing exclusivity following FDA approval, if received. We submitted an IND for MitoGel in November 2016, which was accepted by the FDA in December 2016. We commenced a single pivotal, open-label, single-arm Phase 3 clinical trial for the treatment of low-grade UTUC in the first quarter of 2017. The clinical trial is being conducted in the United States and Europe with anticipated enrollment of approximately 70 patients. Additionally, we expect that our product candidates will be safe and well-tolerated because they are novel formulations of previously approved drugs.

***Leverageable proprietary formulation technology*.** We believe that RTGel has multiple potential applications beyond urology. Our formulation know-how may enable us to develop different drug formulations to facilitate the delivery, retention and sustained release of active drugs to a variety of targeted body cavities. We believe that our proprietary formulation technology can improve the efficacy of locally administered drugs in body cavities

such as the stomach, uterus and rectum that present anatomical and physiological challenges related to frequent wash out, rapid excretion and bodily secretions. In October 2016, we announced that we licensed worldwide rights to a proprietary RTGel formulation with BOTOX to Allergan for the treatment of overactive bladder and related indications pursuant to the Allergan Agreement.

Strong intellectual property position. We have a robust intellectual property portfolio that includes four issued patents in the United States and several patent applications filed worldwide that are directed to methods, systems, new compounds and compositions for treating urinary tract cancer. Our intellectual property covers, among other things, our lead product candidates, MitoGel, Vesimune and VesiGel, as well as RTGel. The four issued patents are expected to expire between 2024 and 2031. In addition, we have 12 issued patents worldwide related to our other product candidates. These issued patents are expected to expire between 2030 and 2031. We also have 45 pending patent applications filed worldwide covering all of our product candidates. Additionally, the FDA has granted Orphan Drug Designation to MitoGel for the treatment of UTUC and Vesimune for the treatment of CIS bladder cancer, which potentially entitles us to marketing exclusivity for MitoGel and Vesimune for seven years following approval, if granted, by the FDA.

***Experienced and accomplished leadership team with proven track record*.** We have an experienced management team, with each member possessing more than 15 years of biopharmaceutical and related industry experience. Our Chief Executive Officer, Ron Bentsur, successfully navigated Auryxia (ferric citrate) through the 505(b)(2) streamlined regulatory pathway to FDA approval. In addition, our Chairman, Arie Belldegrun, M.D., is a seasoned biotech executive and is currently the Chairman, Chief Executive Officer and President of Kite Pharma, as well as a director of Teva Pharmaceutical Industries. We believe that our leadership team is well-positioned to lead us through clinical development, regulatory approval and commercialization for our product candidates.

Our Growth Strategy

We intend to become the leading biopharmaceutical company focused on the development of novel therapies for local treatment of urological pathologies. The key elements of our strategy are as follows:

Establish each of our lead product candidates, MitoGel and VesiGel, as the first-line treatment in its target indication. We believe that data from treatments in an ongoing Compassionate Use program currently being conducted in the United States, Europe and Israel provide evidence of the potential safety and efficacy of MitoGel for the treatment of low-grade UTUC. We submitted an IND for MitoGel with the FDA in November 2016, which was accepted by the FDA in December 2016, and we commenced a single pivotal Phase 3 clinical trial in the first quarter of 2017 pursuant to the FDA's 505(b)(2) regulatory pathway. We are currently conducting a Phase 2a randomized, open-label, single-arm, active-controlled clinical trial of VesiGel for the treatment of low-grade NMIBC outside the United States. We expect to file an IND for VesiGel in the second half of 2017, and, if accepted, to commence a Phase 2b U.S. based clinical trial shortly thereafter. We also expect to pursue a 505(b)(2) regulatory pathway for VesiGel. We believe that these local drug treatments have the potential to replace the costly, sub-optimal and burdensome tumor resection and kidney removal surgeries to become the first-line standard of care.

Expand our uro-oncology product pipeline. A Phase 1 clinical trial of Vesimune was completed under an IND in 12 patients with CIS, an aggressive form of high-grade urinary bladder cancer. In the study, 10 patients were evaluated for response, of which 40% achieved a complete response rate with Vesimune as a single-agent treatment. We believe that combining Vesimune with immune checkpoint inhibitors or chemotherapy has the potential to serve as a treatment option for high-grade urothelial tumors. We are also pursuing preclinical oncology programs that take advantage of our RTGel technology. Our preclinical programs are being developed for high-grade bladder cancer and high-grade UTUC. We may also evaluate in-licensing or acquiring additional product candidates for the treatment of urological cancers.

Establish ourselves as a commercial supplier of our MMC. We believe that by working with our existing third party manufacturer of the MMC needed for our product candidates MitoGel and VesiGel, we may be able to also become an approved commercial supplier of MMC in the United States. There are currently only two suppliers of MMC approved for sale in the United States. By working with our existing third party manufacturer of MMC and/or engaging an additional third party manufacturer of MMC to provide us with a commercial scale supply of MMC, we may target the generic urothelial cancer market in order to sell our formulation of MMC, which could increase potential revenue streams. This may also potentially enable us to reduce the manufacturing cost of our lead product candidates, MitoGel and VesiGel.

Utilize our proprietary technology to expand our pipeline to other body cavities and indications. We believe that RTGel may be suitable for multiple additional applications. Our know-how may enable us to develop different drug formulations to facilitate the delivery, retention and sustained release of active drugs to a variety of targeted body cavities. Beyond the urinary tract, we may target the gastrointestinal tract and the female reproductive system. In the future, we may also choose to develop our RTGel technology in combination with other drugs to treat cancer and other indications endemic to such body cavities.

Evaluate and selectively pursue potential collaborations to develop improved formulations and product life-cycle management strategies. We entered into the Allergan Agreement to research, develop, manufacture and commercialize pharmaceutical products that contain RTGel and clostridial toxins (including BOTOX), alone or in combination with certain other active ingredients. This collaboration provides us with funding for our research and development efforts, and may accelerate the development and commercialization of our approved products, if any. In addition, we may in-license or acquire additional product candidates for urological indications. Such collaborations would allow us to obtain financial support and to capitalize on the expertise and resources of our potential partners, which could allow for new and improved versions of approved or clinical stage drugs, and could accelerate the development and commercialization of additional product candidates.

RTGel: Our Reverse Thermally Triggered Hydrogel Platform Technology

We have developed RTGel, a novel proprietary polymeric biocompatible, reverse thermal gelation hydrogel, which, unlike the general characteristics of most forms of matter, is liquid at lower temperatures and converts into gel form when heated. We believe that these characteristics promote ease of delivery into and retention of drugs in body cavities, including the bladder and the upper urothelial tract, by conforming to the anatomy of the target organ while preventing rapid excretion of the drug. The following images show the progression of four stages of RTGel at different temperatures.

LT: Liquid at low temperature
BT: Converts into gel form at body temperature

RTGel's components are polymer-based and are inactive ingredients that have been approved by the FDA for use in other products such as Oraqix, a periodontal gel, Namenda, an oral solution for Alzheimer's disease, and Xeloda, an oral chemotherapy. We formulate RTGel with an active drug: MMC in the case of MitoGel and VesiGel, and botulinum toxin in the case of BotuGel. The resulting formulations are instilled intravesically in liquid form directly into the bladder or upper urothelial tract using standard instillation methodologies via catheters and thereafter convert into gel form at body temperature. Subsequently, upon contact with urine, RTGel gradually dissolves and releases the active drug over a period of several hours, and is less affected by urine creation and voiding cycles as compared to water formulations.

We believe that RTGel, when formulated with an active drug, may allow for the improved efficacy of treatment of various types of urothelial cancer without compromising the safety of the patient or interfering with the natural flow of fluids from the urinary tract to the bladder. RTGel achieves this by:

- increasing the exposure of active drugs in the bladder and upper urothelial tract by significantly extending the dwell time of the active drug while conforming to the anatomy of the bladder and the upper urothelial tract, which allows for enhanced drug tissue coverage. For example, the average dwell time of the standard MMC water formulation, currently used as adjuvant treatment, in the upper urothelial tract is approximately five minutes, compared to approximately six hours when MMC is formulated with RTGel;
- administering higher doses of an active drug than would otherwise be possible using standard water-based formulations. For instance, it is only possible to dissolve 0.5 mg of MMC in 1 ml of water while it is possible to formulate up to 8 mg of MMC with 1 ml of RTGel; and
- maintaining the active drug's molecular structure and mode of action.

These characteristics of RTGel enable sustained release of MMC in the urinary tract for both MitoGel and VesiGel, and of botulinum toxin in the case of BotuGel. Further, RTGel may be particularly effective in the bladder and upper urothelial tract where tumor visibility and access are challenging, and where there exists a significant amount of urine flow and voiding. We believe that these characteristics of RTGel may prove useful for the local delivery of active drugs to other bodily cavities in addition to the bladder and upper urothelial tract.

MMC—Our Target Active Drug for the Treatment of UTUC and NMIBC

MMC is a generic drug currently utilized off-label as the standard adjuvant chemotherapy for the treatment of low-grade UTUC and NMIBC after tumor resection, such as TURBT. MMC is typically administered using a water-based formulation, which has a relatively short dwell time in the bladder limited to first voiding. MMC often causes temporary irritation of the bladder, including the need to urinate frequently and urgently. This often results in first voiding occurring shortly after instillation. In the upper urothelial tract, the dwell time is limited to approximately five minutes as urine flows continuously and no active retention by the patient is feasible. Numerous *in vitro* models, *in vivo* studies and computer simulations have shown that increased dwell time of MMC in the bladder results in more efficacious treatment of bladder cancer. In one such study, it was shown that MMC activity increased with exposure time. Specifically, the MIC90, or mean inhibitory concentration that causes 90% inhibition in cell growth, was 11-fold lower when exposure time was increased from 30 minutes to eight hours.

MMC's main effect is on the cancer cell's DNA, and has been demonstrated to be most effective when the cancer cell is in its S-phase, or synthesis phase, during which the DNA is replicated. Each cancer cell goes through various phases during the cell cycle. However, the cell cycle is not synchronized in all cancer cells, which means that at any given point in time only a portion of the cancer cells are at their S-phase, or susceptible to the instilled MMC in the bladder. Thus, because our RTGel-based MMC sustained-release formulations, MitoGel and VesiGel, provide for a significantly longer dwell time of MMC in the upper urothelial tract and in the bladder as compared to standard MMC water formulations, there is a greater chance that tumor cells will go through their S-phase while the instilled MMC is still present using MitoGel or VesiGel, potentially resulting in a higher percentage of tumor cells being affected by the instilled MMC.

MitoGel: Our Product Candidate for the Treatment of Low-Grade Upper Tract Urothelial Carcinoma

We are developing MitoGel, our novel sustained-release formulation of MMC, for the treatment of low-grade UTUC. We have observed preliminary evidence of the efficacy of MitoGel in an ongoing investigator-initiated Compassionate Use program for the treatment of severe, non-resectable UTUC. Additionally, the FDA granted MitoGel Orphan Drug Designation for the treatment of UTUC. We plan to develop MitoGel through the FDA's 505(b)(2) regulatory pathway. We submitted an IND for MitoGel in November 2016, which was accepted by the FDA in December 2016. We commenced a single pivotal Phase 3 clinical trial for MitoGel in the first quarter of 2017.

Limitations of Current Therapies for Upper Tract Urothelial Carcinoma

There are currently no drugs approved by the FDA for the treatment of UTUC, representing a significant unmet medical need. The current standard-of-care for the treatment of UTUC is nephroureterectomy, which is complete kidney and upper urothelial tract removal. Recent advances in resection instrument technology have allowed

physicians in some cases to treat patients with low-grade UTUC using tumor resection, a kidney-sparing treatment, rather than nephroureterectomy followed by adjuvant chemotherapy, typically MMC, treatment. However, the specific anatomy and physiology of the upper urothelial tract make the performance of organ sparing endoscopic tumor resection and instillation of adjuvant chemotherapy challenging, leading to high recurrence and progression rates. Patients often undergo multiple resection procedures, which increases the probability of potential complications of resection by means of a ureteroscope, a device for examining the inside of the urinary tract, including perforation and ureteral stricture, or a narrowing of the ureter. A recent study published in 2009 in the Journal of Endourology, evaluating 57 patients with low-grade UTUC who underwent tumor resections showed that recurrence occurred in 89.5% of patients, with a mean of 5.5 recurrences per patient, over a four-year period. Moreover, approximately 20% of the patients in this study progressed and ultimately underwent kidney and upper tract removal.

MMC is currently administered using a water-based formulation, which limits the dwell time in the bladder until first voiding. In the upper urothelial tract, the dwell time of MMC is approximately five minutes as urine flows continuously and no active retention by the patient is feasible.

Our Solution: MitoGel

MitoGel is our novel sustained-release RTGel-based formulation of MMC that we are developing for the treatment of low-grade UTUC. RTGel is liquid at lower temperatures and converts into gel form at body temperature. This temperature-dependent viscosity characteristic allows the simple and convenient instillation of the cooled MitoGel in its liquid form to the upper urothelial tract via standard catheters. Once instilled, MitoGel converts into gel form in less than 10 minutes at body temperature. Subsequently, upon contact with urine, MitoGel gradually dissolves and releases the active drug, MMC, over a period of several hours versus several minutes for MMC in its current water-based formulation. We believe that this substantial increase in dwell time of MMC positions MitoGel as a potential first-line chemoablation treatment for low-grade UTUC, sparing patients from repeated tumor resection surgeries and potentially reducing the need for kidney and upper urothelial tract removal.

The Orphan Drug Designation granted to MitoGel for the treatment of UTUC potentially entitles us to marketing exclusivity for MitoGel for seven years following approval by the FDA, if granted, as well as priority review of our New Drug Application, or NDA.

Initial Clinical Results for MitoGel

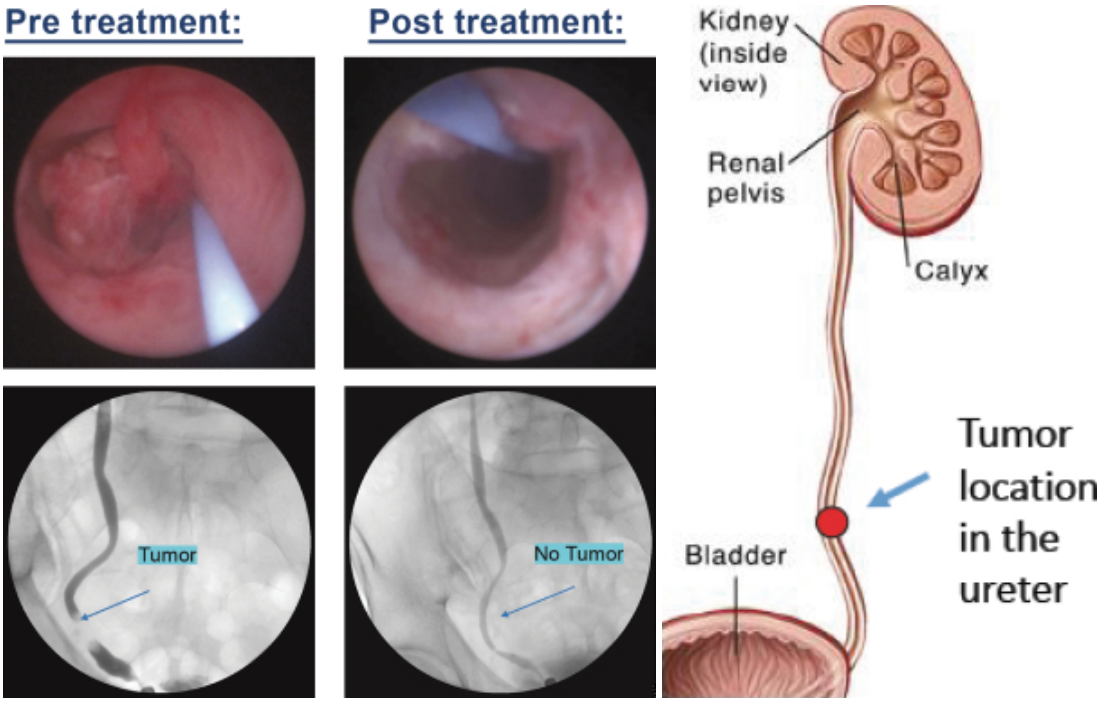
MitoGel is being evaluated in an ongoing investigator-initiated Compassionate Use program for the treatment of severe, non-resectable UTUC, which commenced in September 2014 and is ongoing. The Compassionate Use program, which is being conducted in the United States, Europe and Israel, includes patients diagnosed with unilateral and bilateral UTUC, low- and high-grade UTUC, as well as patients with a solitary kidney. Patients in the Compassionate Use program receive six instillations of MitoGel administered directly to the upper urothelial tract. Consistent with the nature of Compassionate Use programs, which are investigator-initiated programs, a statistical plan or primary endpoint is not being used as in a regular clinical trial. Approximately four weeks following the completion of the treatment course, the patients are evaluated for response. Patients are visually evaluated endoscopically, with additional confirmation through urine cytology, or examination of cells collected from a urine specimen. At the evaluation time, which is approximately four weeks following the completion of the treatment course, patients are deemed to have achieved a complete response if, in the judgment of the physician, no tumors initially diagnosed by the physician are detected and a partial response if, in the judgment of the physician, the size or number of tumors has decreased or if, following an initial complete response, there is tumor recurrence within three months after the evaluation time. Safety and feasibility of treatment with MitoGel are also being evaluated. To date, we have treated 22 patients, with more than 130 instillations of MitoGel performed. Of the 22 patients treated, 18 were assessed as having low-grade UTUC. Of the 18 patients assessed as having low-grade disease, 14 completed six instillations of MitoGel. Of these 14 patients, 13 have been evaluated endoscopically for response and one could not be evaluated. Of the 13 patients who have been evaluated endoscopically for response, eight have achieved a complete response and five have achieved a partial response at the primary evaluation time. Of the eight patients who have achieved a complete response at the primary evaluation time, three have subsequently experienced recurrences to date. Due to the severity of low-grade UTUC and the extensive related tumor burden of the patients entering this Compassionate Use program, we believe that there may be a high likelihood of recurrence in such patients. In order to mitigate recurrence in patients participating in our single pivotal Phase 3 clinical trial, as part of the protocol for the trial, patients who achieve a complete response at the primary disease evaluation visit

will be followed for durability of response and will receive monthly MitoGel maintenance instillations for up to 12 months.

Thus far in the study, MitoGel has been observed to be well-tolerated. The main observed adverse events, or AEs, related to MitoGel have been fatigue, allergic reaction, nausea, fever, and dysuria, which is pain or difficulty while urinating. All of the AEs that have been observed to date are known side effects associated with the use of MMC and appear on the MMC label as potential side effects. Various serious adverse events, or SAEs, were also reported most of which were determined to be unrelated to treatment with MitoGel. These SAEs include acute pyelonephritis, a kidney infection caused by bacteria; hydronephrosis, which is the swelling of the upper urinary tract due to a build-up of urine caused by some degree of obstruction; severe arrhythmia, which is a severe abnormal heart rhythm; cardiac asthma, which is a medical diagnosis of wheezing, coughing or shortness of breath due to congestive heart failure; aggravation of renal function; hyperkalemia, which is a condition of elevated levels of potassium in the blood; pancytopenia, which is a deficiency of red cells, white cells and platelets in the blood; scarring and narrowing of the calyceal infundibulum, which was most probably present at baseline; asymptomatic extravasation from the upper tract, which is leakage of fluids from the upper tract to the surrounding tissue; and death.

This Compassionate Use program was allowed by the FDA to accumulate safety and efficacy data. We commenced a single pivotal, open-label, single-arm Phase 3 clinical trial of MitoGel for the treatment of low-grade UTUC in the first quarter of 2017.

The following images show pre-treatment and post-MitoGel treatment results from one low-grade UTUC patient in the Compassionate Use program.



(Courtesy of Dr. J. Gregory Wirth, Geneva Hospital, Switzerland)

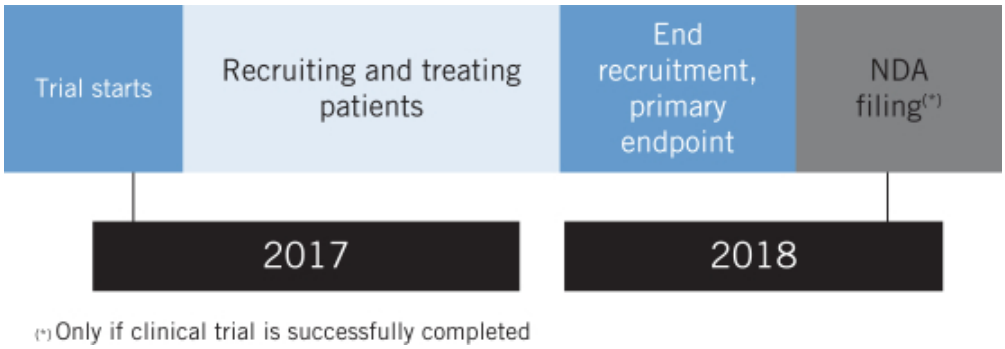
The top left image is a pre-treatment ureteroscopic view of a tumor located in the ureter. The bottom left image is a pre-treatment x-ray revealing an obstruction within the ureter in which no contrast (black) can be visualized in the distal ureter (denoted by arrow). The top right image is a post-treatment ureteroscopic view of the same location following MitoGel chemoablation treatment. The bottom right image is a post-treatment x-ray of the ureter which reveals no obstruction within the ureter.

IND-Enabling Studies for MitoGel

As part of our IND-enabling work for MitoGel, we have completed a large-scale Good Laboratory Practices, or GLP, toxicity study in an upper urothelial tract swine model in which more than 250 instillations of MitoGel were performed. This study evaluated the safety of the procedure and MitoGel administration, also utilizing higher dosage levels than those used in the clinical settings. In this GLP toxicology study, the instillation of MitoGel was found to be safe. We are also currently conducting chemistry, manufacturing and controls, or CMC, studies as part of our IND-enabling efforts.

Next Steps in the Clinical Development of MitoGel

Based on discussions with the FDA, we intend to develop MitoGel through the FDA's 505(b)(2) regulatory pathway. We submitted an IND for MitoGel in November 2016, which was accepted by the FDA in December 2016. We commenced a single pivotal Phase 3 clinical trial for MitoGel in the first quarter of 2017.



We commenced a single pivotal, open-label, single-arm Phase 3 clinical trial of MitoGel for the treatment of low-grade UTUC in the first quarter of 2017. The clinical trial is being conducted in the United States and Europe with anticipated enrollment of approximately 70 patients. We expect this clinical trial, if successfully completed, to support an NDA for low-grade UTUC for MitoGel. The patients will initially receive six weekly instillations of MitoGel. The primary efficacy endpoint is expected to be the complete response rate, defined as the percentage of patients with a complete response at the primary disease evaluation visit, which occurs approximately four weeks following the sixth weekly instillation. In addition, patients who achieve a complete response at the primary disease evaluation visit will be followed for durability of response. Such patients will also receive monthly MitoGel maintenance instillations for up to 12 months. If this clinical trial is successfully completed, we currently anticipate submitting an NDA for MitoGel in 2018.

VesiGel: Our Product Candidate for the Treatment of Low-Grade Non-Muscle Invasive Bladder Cancer

VesiGel is our novel sustained-release formulation of high dose MMC that we are developing for the treatment of low-grade NMIBC as a first-line non-surgical chemoablation alternative to TURBT. We are currently conducting a Phase 2a randomized, open-label, single-arm active-controlled clinical trial in Europe and Israel to evaluate the safety and efficacy of VesiGel (40mg and 80mg MMC) in low-grade NMIBC. We commenced the trial in September 2013 and the last patient was enrolled in March 2016. To date, 19 of 22, or approximately 86%, of the patients with confirmed low-grade NMIBC treated in this trial have been observed to achieve complete responses in the 80mg MMC dose group of VesiGel at the primary evaluation time, and therefore did not need surgical intervention. Approximately 79% of the patients who achieved a complete response at the primary evaluation time with VesiGel treatment and who have been followed for 12 months thereafter remained recurrence free and were able to sustain a durable complete response during those 12 months after treatment without receiving any additional treatment. This compares to approximately 40% to 60% of patients who historically have been able to sustain a 12-month durable complete response following TURBT as first-line treatment followed by additional adjuvant treatments of MMC instillations into the bladder.

We plan to complete the one year follow-up of the Phase 2a clinical trial in the first half of 2017. We met with the FDA in mid-2016 to discuss potential next steps in the clinical development plan for VesiGel.

Limitations of Current Therapies for Non-Muscle Invasive Bladder Cancer

Tumor grade and stage are the most important variables for determining the likelihood of progression from NMIBC to MIBC. The three stages of NMIBC are: Ta (70%), T1 (20%) and CIS or Tis (10%). Approximately 70% of NMIBC patients have a tumor that is classified as low-grade upon diagnosis. Ta and CIS are limited to the urothelial layer, and T1 is limited to the layer below, which is the lamina propria.

Recurrence, which occurs in approximately 80% of patients, is the primary threat for NMIBC patients. Multiplicity, or number of tumors, tumor size and prior recurrence rate are the most important variables in determining the likelihood and potential severity of recurrence. In T1 and CIS NMIBC patients, progression, which occurs in approximately 45% of patients, is the main threat. Treatment ranges from one or more TURBT procedures followed by adjuvant chemotherapy or immunotherapy instillation(s) in NMIBC patients with a low risk of recurrence to cystectomy for the treatment of NMIBC patients with a high risk of recurrence.

TURBT is conducted in a hospital setting under general anesthesia and can often have side effects and complications. The most common complications, risks and limitations of TURBT include:

- bleeding at the time of surgery that requires clot irrigation and mild burning;
- infection of the bladder;
- injured urethra and bladder perforation with potential intra-abdominal leakage;
- re-seeding and cell migration;
- repeat TURBT procedures, which are necessary for approximately 10% of patients within three months;
- complete removal of tumor tissue often not being feasible;
- potential recurrence of up to 25% of the tumors at the original treatment site; and
- some tumors not being detectable.

Post-operative adjuvant treatments for NMIBC, which are given to prevent re-seeding of the cancerous cells, consist primarily of chemotherapy in the case of low-grade tumors and immunotherapy in the case of high-grade tumors, and are administered intravesically via catheter. Adjuvant intravesical chemotherapy is used primarily in low-grade tumors following TURBT in order to try to delay tumor recurrence, but is not used as a chemoablation agent. The rationale is to expose tumors to high local drug concentrations while minimizing the systemic exposure, thereby enhancing the treatment effect and reducing the drug toxicity. However, these traditional adjuvant treatments to treating bladder cancer have been limited because, after instillation, the drug concentration is reduced and the drug is washed out due to urine voiding. As a result, the cancerous tissue is not exposed to the chemotherapy drug for the optimal length of time.

No drugs have been approved by the FDA as first-line treatment for NMIBC and only three drugs have been approved for NMIBC, all used as adjuvant treatment: Thiotepa, which was approved in 1959; bacille Calmette-Guerin, or BCG, which was approved in 1989; and Valstar, which was approved in 1998. MMC is the drug used most often for intravesical chemotherapy. It is used off-label as an adjuvant treatment in the post-operative setting for low-grade tumors with high risk of recurrence. Other drugs that can be used include docetaxe and gemcitabine. BCG, an immunotherapy-based drug, is used as an adjuvant treatment for patients with high-grade NMIBC. Upon recurrence, which occurs in approximately 35% of patients, the patients undergo another round of BCG therapy with a response rate of 30% to 50%. Radical cystectomy, or surgical removal of the bladder, is also a common treatment option for patients who fail multiple intravesical BCG therapies. However, treatment with BCG is associated with severe side effects, as evidenced by a Black Box warning on the label, which is a warning placed on a prescription drug's label by the FDA and is designed to call attention to serious or life-threatening risks.

We are not aware of any drugs currently in development for the treatment of NMIBC that take into consideration bladder physiology, specifically the fact that urine is produced and voided frequently, thus diluting the concentration of the active drug almost immediately.

Our Solution: VesiGel

VesiGel, an RTGel-based formulation of high dose MMC, is our product candidate for the treatment of low-grade NMIBC. VesiGel is administered locally using standard catheters and is designed to conform to the bladder's

anatomy and persist in the bladder despite urine flow and bladder movement. Once instilled, VesiGel converts into gel form within approximately 15 minutes at body temperature. Subsequently, upon contact with urine, VesiGel gradually dissolves and releases the active drug, MMC, over a period of several hours versus the time until first voiding, often less than an hour, for MMC in its current water-based formulation, without compromising the safety of the patient or interfering with the natural flow of urine out of the bladder. We believe that the resulting significantly increased dwell time of MMC in the bladder prolongs exposure of MMC to the tissue and therefore has the potential to chemoablate visible and unseen tumors. As a result of these properties, our goal is to develop VesiGel as a first-line chemoablation non-surgical alternative to TURBT for the treatment of low-grade NMIBC.

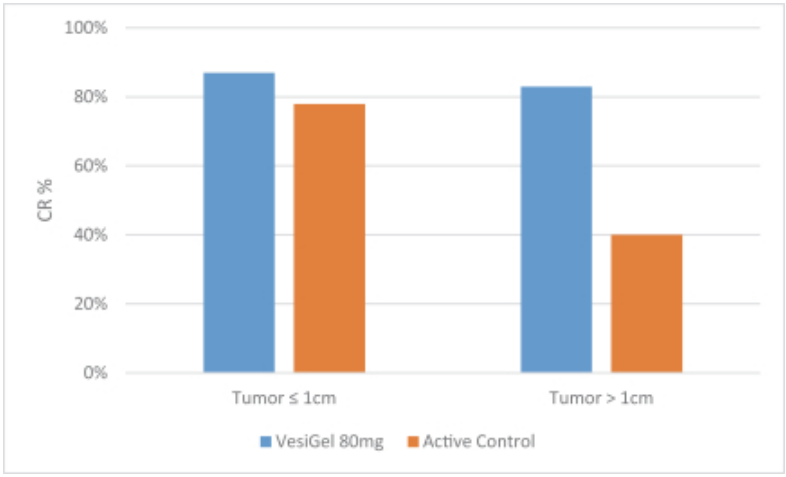
Ongoing Phase 2a Clinical Trial

We are currently conducting a Phase 2a randomized, open-label, single-arm, active-controlled clinical trial in Europe and Israel to evaluate the safety and efficacy of VesiGel 0.06% (40 mg MMC in 64 ml gel) and VesiGel 0.12% (80 mg MMC in 64 ml gel) in low-grade NMIBC compared to the intravesical instillation of 40 mg of MMC in water (MMC 0.1%). We commenced the trial in September 2013 and the last patient was enrolled in March 2016. In this trial, patients underwent six weekly instillations according to their assigned treatment arm. The primary endpoint of the trial used for observational purposes only is the complete response rate at the primary disease endpoint, which is evaluated approximately four weeks after the sixth weekly installation. Safety, feasibility of local treatment with VesiGel and durability of response are also being evaluated. To date, we have enrolled 81 patients, 65 of whom have been evaluated for response. Of the 65 patients evaluable to date, 20, 22 and 23 patients are in the VesiGel 0.06%, VesiGel 0.12% and MMC 0.10% groups, respectively. The results to date indicate complete response rates at the primary evaluation time of 45%, 86% and 70% for VesiGel 0.06%, VesiGel 0.12% and MMC 0.10%, respectively.

In treating low-grade NMIBC, resection of small tumors is primarily conducted in the outpatient setting, typically without anesthesia using fulguration, a procedure that destroys the diseased area in the lining of the bladder by burning using electric current. The effectiveness of tumor resection in these cases is high and the one year recurrence rate is estimated to be only 10%. However, larger, multiple tumors are surgically removed using TURBT, a procedure conducted in the operating room in a hospital setting under general anesthesia, which often requires at least an overnight stay. TURBT is associated with increased risks and costs and higher recurrence rates that can reach up to 60%.

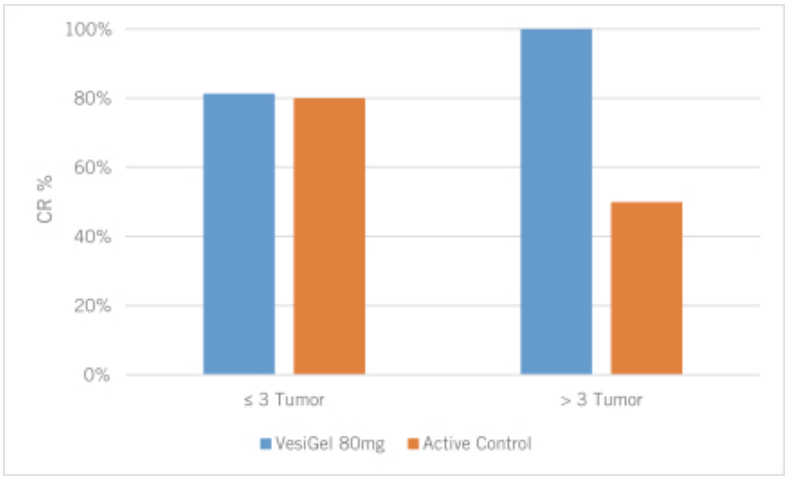
When evaluating the effect of chemoablation on large tumors that would typically be treated with TURBT, we observed a more profound difference in the complete response rate between the VesiGel 0.12% arm compared to the MMC 0.10% control arm. In tumors less than or equal to 1 cm^2 in size, the complete response rate at the primary evaluation time was 78% (18 patients) and 88% (16 patients) in the MMC 0.10% control group and the VesiGel 0.12% group, respectively. However, in tumors greater than 1 cm^2 in size, the complete response rate at the primary evaluation time was 40% (five patients) and 83% (six patients) in the control group and VesiGel 0.12% group, respectively.

The graph below illustrates the complete response rates by tumor size for the VesiGel 0.12% and MMC 0.10% control treatment arms.



We also observed a difference in the complete response rate between the VesiGel 0.12% arm compared to the MMC 0.10% control arm when evaluating the effect of chemoablation on the number of tumors. In cases of three or fewer tumors, the complete response rate at the primary evaluation time was 80% (15 patients) and 81% (16 patients) in the MMC 0.10% control group and the VesiGel 0.12% group, respectively. However, in cases of more than three tumors, the complete response rate at the primary evaluation time was 50% (eight patients) and 100% (six patients) in the MMC 0.10% control group and the VesiGel 0.12% group, respectively.

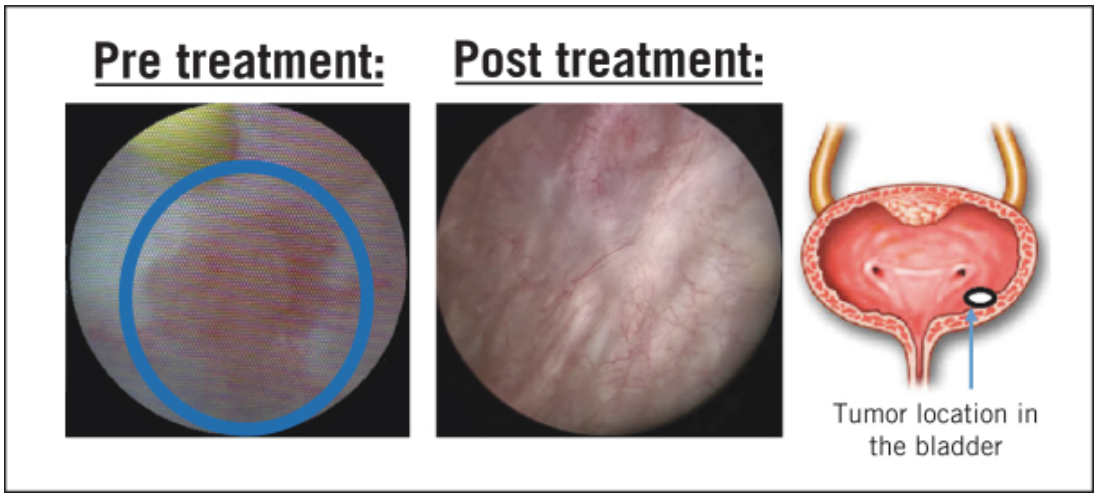
The graph below illustrates the complete response rates by tumor volume for the VesiGel 0.12% and MMC 0.10% control treatment arms.



To date, the incidence of AEs reported for both VesiGel groups in the study has been low and appear similar to that of the active control group, with the majority of the AEs having occurred in the VesiGel 0.2% group. The main observed AEs related to VesiGel have been dysuria, allergy, lower urinary tract symptoms, and hematuria, or the presence of blood in the urine. The AEs that have occurred were associated with the use of MMC, MMC intravesical instillation or the cystoscopy procedure itself. The MMC-related AEs were primarily burning sensation, rash, urgency, and dysuria, which is painful or difficult urination. These AEs appear on the MMC label as potential side effects.

SAEs were also reported, including allergy, weakness, hematuria, difficult or labored breathing, lower urinary tract symptoms other than dysuria, and death. None were determined to be related to VesiGel, except for two allergy cases that were resolved.

The following images show cytoscopic views of complete responses in a low-grade NMIBC patient treated with VesiGel.



The image to the left is a pre-treatment cystoscopic view of a tumor located in the bladder. The image to the right is a post-treatment cystoscopic view of the same location following VesiGel chemoablation treatment.

Dose Escalation Study for VesiGel

In parallel to the ongoing Phase 2a clinical trial, in the first half of 2015, we initiated a dose escalation study for patients with NMIBC in Europe and Israel to evaluate the safety and efficacy of VesiGel at dose levels higher than 80 mg MMC. To date, we have enrolled 14 patients. All patients to date have been treated with the 120 mg MMC in 60 ml gel dose, or 0.2% concentration. Of the 12 low-grade NMIBC patients evaluated to date, 10 have achieved a complete response (83%). However, at the 120 mg MMC dose level, we also observed a higher rate of MMC-related AEs than in patients treated with the 80 mg MMC dose. Five of 12 patients did not complete six weekly instillations due to their non-compliance, although three of these five patients achieved a complete response. As a result, we have determined to focus our development efforts going forward on the 80 mg MMC dose level.

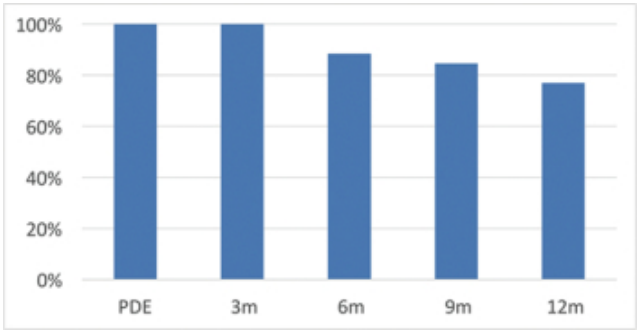
Phase 1 Clinical Trial for VesiGel

In early 2014, we completed a Phase 1 clinical trial in India evaluating two earlier formulations of VesiGel. Patients underwent six weekly instillations according to their assigned treatment of RTGel (40 ml) formulated with either 40 mg MMC or 80 mg MMC. Following completion of the six instillations, patients were evaluated for safety and efficacy. We enrolled 19 patients, 15 of whom were evaluated for response to treatment. Of the 15 evaluable patients, seven achieved a complete response, with two out of five from the 40 mg MMC arm and five out of 10 from the 80 mg MMC arm. Patients were followed for one year after treatment. The results of this study led to the initiation of the ongoing Phase 2a clinical trial, in which we are using a higher volume of RTGel, 64 ml compared to 40 ml, in an attempt to further enhance the efficacy of the 40 mg and 80 mg MMC VesiGel dose groups, by increasing the dwell time of the drug.

Durability of Response

Per protocol, the patients in our Phase 2a and Phase 1 clinical trials were followed for 12 months after the primary disease evaluation time point. To date, 41 patients treated with different VesiGel formulations completed the 12-month follow-up period, 28 of whom achieved a complete response at the primary disease evaluation time point and did not receive any additional treatments. Of these 28 patients, 28 (100%), 25 (89%), 24 (86%) and 22 (79%) had durable complete responses at three, six, nine and 12 months, respectively.

The graph below demonstrates the durability data for the patients treated with VesiGel who achieved a complete response at the primary disease evaluation time point and were followed for 12 months.



We believe that these results support our belief that VesiGel, acting as a chemoablation agent, can replace TURBT, with the possibility of improving durability of response.

Next Steps in the Clinical Development of VesiGel

We plan to complete the ongoing Phase 2a clinical trial in the first half of 2017. We met with the FDA in mid-2016 to discuss next steps in the clinical development program for VesiGel. We plan to file an IND for VesiGel in the second half of 2017 and, if accepted, to commence a U.S. based Phase 2b clinical trial for VesiGel shortly thereafter.

Vesimune: Our Product Candidate for the Treatment of High-Grade NMIBC

We are developing Vesimune, our immune-modulation product candidate, for the treatment of high-grade NMIBC. A Phase 1 dose escalation study was conducted in 23 NMIBC patients and Vesimune appeared to be well-tolerated in the study. This was followed by a Phase 1 pilot study under an IND in 12 patients with CIS bladder cancer in the United States. 40% of the 10 evaluable patients achieved a complete response, and Vesimune was observed to be well-tolerated in the trial. We intend to further investigate the use of Vesimune for the treatment of high-grade NMIBC, as a single agent or possibly combining it with VesiGel, MitoGel or with immune checkpoint inhibitors.

Limitations of Current Therapies for High-Grade NMIBC

High-grade NMIBC is a highly aggressive form of bladder cancer. TURBT is the initial treatment of choice for high-grade NMIBC; however, the high rates of recurrence and significant risk of progression to muscle-invasive tumors are particularly dangerous. Bladder removal can be the first treatment of choice for young, otherwise healthy patients with high-grade disease or for patients who cannot tolerate BCG. BCG, an immunotherapy-based drug, is the current standard of care as an adjuvant therapy post-resection in high-grade tumors. However, treatment with BCG is associated with severe side effects, as evidenced by a Black Box warning on the label.

Our Solution: Vesimune

We believe that Vesimune, our immune-modulation product candidate, could represent a valid alternative to the current standard of care for the BCG adjuvant, post TURBT treatment of high-grade NMIBC. Vesimune's active ingredient is Imiquimod, an imidazoquinoline, synthetic immune modulator, which specifically targets TLR7, which is expressed in bladder cancer cells. Toll-like receptors are pattern recognition receptors whose importance in stimulating innate and adaptive immunity has been established by recent studies and approval by the FDA of various cancer immunotherapies. Toll-like receptors are able to sense microbial components as well as host-derived endogenous molecules released by injured tissues and play a critical role in defending against invading pathogens.

Imiquimod, in its topical formulation, is FDA approved for several indications, including superficial basal cell carcinoma. Vesimune is a liquid formulation of Imiquimod for intravesical administration that has been optimized for delivery in the urinary tract. Vesimune does not use our RTGel technology. We believe that Vesimune may elicit an adaptive immune response in the presence of released bladder cancer antigens, which may translate into a long lasting acquired immune response. We also believe the combination of Vesimune with immune checkpoint inhibitors could further increase the adaptive immune response and potentially represent a viable alternative to BCG for the adjuvant treatment of high-grade NMIBC or UTUC.

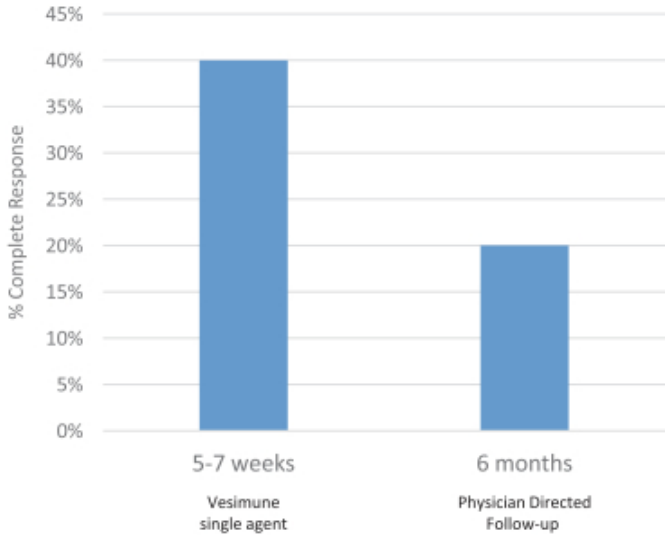
We have obtained Orphan Drug Designation for Vesimune for the treatment of CIS in the bladder. We have an active IND for Vesimune, which has been effective since 2013.

We acquired Vesimune from Telormedix SA, a private Swiss-based biotechnology company, in the fourth quarter of 2015. Telormedix conducted all of the previous studies related to Vesimune, including the Phase 1 and Phase 1b studies.

Vesimune Clinical Results and Post-Study Follow-Up

Vesimune was evaluated in a Phase 1 dose escalation study that enrolled 23 patients diagnosed with NMIBC. Vesimune was well-tolerated at the doses used. Subsequently, a Phase 1b study of Vesimune was conducted under an IND in patients with CIS bladder cancer in the United States. The Phase 1b study was commenced in April 2013 and completed in February 2014. Patients were dosed with Vesimune 0.4% weekly for six weeks. The study was designed to evaluate the safety and preliminary efficacy of Vesimune in CIS patients. The primary efficacy endpoint for observational purposes only was the rate of complete response at five to seven weeks after the sixth weekly instillation. Twelve patients were enrolled into the pilot study, of which 10 patients were evaluable for response. Four of the 10 patients, or 40%, achieved a complete response. Vesimune was observed to be well tolerated in this trial. The most common AEs related to Vesimune were urination urgency, dysuria, fatigue, urinary tract infections and hematuria. One SAE, a urinary tract infection, was observed and was resolved. For observational purposes, patients were followed for an additional six month period beyond the completion of the study, referred to as the Post-Study Follow Up. Of the four patients who had achieved a complete response with Vesimune in the study, two patients remained disease free at the end of the Post-Study Follow Up while receiving no additional therapy. The two other patients who had achieved a complete response with Vesimune in the study also remained disease free at the end of the Post-Study Follow Up while receiving BCG therapy during this period.

The chart below represents the complete response rates for patients receiving only Vesimune:



Next Steps in the Clinical Development of Vesimune

We intend to further investigate the use of Vesimune for the treatment of high-grade NMIBC, as a single agent or possibly combined with MitoGel, VesiGel or other immunotherapy agents. Such a combination study would evaluate whether this multimodality approach, harnessing the power of the immune system together with the chemoablation properties of VesiGel or MitoGel, can provide a safe and effective approach for the treatment of high-grade urothelial tumors.

Preclinical Programs

Using our proprietary RTGel formulation technology, we are pursuing additional preclinical programs to expand and enhance our uro-oncology product portfolio. In particular, we are pursuing preclinical programs for high-grade bladder cancer and high-grade UTUC using checkpoint inhibitors such as an anti PD-L1 or an anti CTLA-4.

License Agreement with Allergan

In October 2016, we entered into the Allergan Agreement with Allergan and granted Allergan an exclusive worldwide license to research, develop, manufacture and commercialize pharmaceutical products that contain RTGel and clostridial toxins (including BOTOX), alone or in combination with certain other active ingredients, to which we refer as the Licensed Products, which are approved for the treatment of adults with overactive bladder who cannot use or do not adequately respond to anticholinergics. Additionally, we granted Allergan a non-exclusive, worldwide license to use certain of our trademarks as required for Allergan to practice its exclusive license with respect to the Licensed Products.

Under the Allergan Agreement, Allergan is solely responsible, at its expense, for developing the Licensed Products and obtaining all regulatory approvals for Licensed Products worldwide. Allergan is also solely responsible, at its expense, for commercializing the Licensed Products worldwide after receiving the regulatory approval to do so. Allergan is required to use commercially reasonable efforts to develop and commercialize the Licensed Products for overactive bladder in certain major market countries.

We will supply Allergan with certain quantities of RTGel for development of Licensed Products through Phase 2 clinical trials using BOTOX together with RTGel in patients with overactive bladder, at Allergan's request and expense. Allergan has the right to reduce the next milestone payment to us if there is a material supply failure from us. Prior to completion of the first Phase 2 clinical trial, Allergan has the right to request that we transfer to Allergan our manufacturing process for RTGel and Allergan will assume the responsibility to manufacture RTGel and Licensed Product for its own development and commercialization activities.

Allergan paid us a nonrefundable upfront license fee of $17.5 million, and we are eligible to receive additional material milestone payments of up to an aggregate of $207.5 million upon the successful completion of certain development, regulatory and commercial milestones, including $7.5 million upon submission of an IND to the FDA for a Licensed Product; $20.0 million upon initiation of a Phase 3 clinical trial for a Licensed Product for overactive bladder; $15.0 million upon initiation of a Phase 3 clinical trial for a Licensed Product for a specified second indication; $50.0 million and $25.0 million upon the first commercial sale of a Licensed Product for overactive bladder in the United States and the European Union, respectively; $25.0 million and $15.0 million upon the first commercial sale of a Licensed Product for a specified second indication in the United States and the European Union, respectively; and $50.0 million upon net sales of all Licensed Products of $500.0 million. Allergan will pay us a tiered royalty in the low single digits based on worldwide annual net sales of Licensed Products, subject to certain reductions for the market entry of competing products and/or loss of our patent coverage of Licensed Products. We are responsible for payments to any third party under our existing agreement and certain future agreement for certain RTGel-related third party intellectual properties.

Under the Allergan Agreement, Allergan granted us a non-exclusive, sublicensable, fully paid-up, perpetual, worldwide license under any improvements Allergan makes to the composition, formulation, or manufacture of RTGel for the research, development, manufacture and commercialization of any product containing RTGel and any active ingredient (other than a clostridial toxin) for all indications other than indications covered by the agreement and an exclusive, sublicensable, royalty-bearing (in low single digits), perpetual worldwide license under such improvements for use in the prevention or treatment of oncology indications.

We plan to continue to research, develop and commercialize other products combining RTGel with other active ingredients, except that there are certain restrictions with respect to the overactive bladder and neurogenic detrusor overactivity indications. Neurogenic detrusor overactivity is when a known neurologic abnormality impairs the signaling systems between the bladder and the central nervous system, and the brain is unable to inhibit the detrusor muscles controlling urination.

Either party may terminate the Allergan Agreement for uncured material breach by the other party and for the insolvency of the other party. We may terminate the Allergan Agreement if Allergan or its affiliates challenges any of our patents licensed to Allergan and such patent challenge is not required under a court order or subpoena and is not a defense against a claim, action or proceeding asserted by us, our affiliates or licensees against Allergan, its affiliates or sublicensees. In addition, Allergan may unilaterally terminate the Allergan Agreement for any reason upon advance notice. If Allergan has the right to terminate the Allergan Agreement due to our uncured material

breach, Allergan may elect to continue the agreement and reduce all future milestone and royalty payment obligations to us by a specified percentage. In the event of any termination of the Allergan Agreement, Allergan will assign or grant a right of reference to any regulatory documentation related to RTGel to us, all rights and licenses to Allergan will terminate, and the license Allergan granted to us under their improvements to RTGel will continue.

Intellectual Property

Our patent estate includes patents and applications with claims directed to our MitoGel, VesiGel, RTGel, BotuGel and Vesimune product candidates, as well as broader claims for potential future product candidates. On a worldwide basis, our patent estate includes approximately 60 issued patents and pending patent applications for our product candidates as well as for a manufacturing process, a method of treatment, intravesical devices and systems and a combination products.

In the United States, we currently have four issued patents and several patent applications worldwide related to methods, systems and compositions for treating bladder cancer and upper urinary tract system conditions related to our lead product candidates, MitoGel and VesiGel, as well as RTGel, both on its own and formulated with other drugs. The four issued patents are expected to remain in effect until between 2024 and 2031. We also have nine pending patent applications relating to MitoGel and VesiGel in Europe, the United States and Israel, and five pending patent applications relating to BotuGel in the United States and the European Union, as well as in each of Russia, China, and Israel. In addition, we have two granted patents related to Vesimune in the United States as well as granted patents in the European Union, Hong Kong, Japan, Australia, Brazil, Eurasia, Mexico and China, each of which are expected to remain in effect until 2030. In addition to the issued patents mentioned above, our portfolio includes pending patent applications relating to Vesimune in the United States, the European Union, Canada, Korea, Hong Kong and Israel. Moreover, we hold five granted patents in the United States as well as patent applications filed worldwide that relate to novel formulations of phospholipid drug analogs (saturated lipid conjugate compositions) for the treatment of urinary tract cancer.

Our patents and patent applications mainly relate to hydrogel-based pharmaceutical compositions for optimal delivery of any drug to the internal cavity such as a bladder and/or urinary tract; the method for treating urothelial cancer using hydrogel based composition; the method for treating overactive bladder topically without a need for injections; special catheters and in-dwelling ureter-catheter systems for optimal delivery of a drug into the renal cavity; pharmaceutical compositions comprising an imidazoquinolin-amine (specifically imiquimod) and lactic acid for treating bladder cancer diseases, and novel phospholipid drug analogs for treating cancer or infections.

In addition to patents, we have filed for trademark registration with the United States Patent and Trademark Office, or the USPTO, for “MitoGel”, “VesiGel”, “RTGel” and “BotuGel”. Furthermore, we rely upon trade secrets, know-how and continuing technological innovation to develop and maintain our competitive position.

Preparing and filing patent applications is a joint endeavor of our research and development team and our in-house and external patent attorneys. Our patent attorneys conduct patent prior-art searches and then analyze the data in order to provide our research and development team with recommendations on a routine basis. This results in:

- protecting our product candidates that are under development;
- encouraging pharmaceutical companies to negotiate development agreements with us; and
- preventing competitors from attempting to design-around our inventions.

We submit applications directly to the USPTO as provisional patent applications. Then usually we continue filing under the Patent Cooperation Treaty, or PCT, which is an international patent law treaty that provides a unified procedure for filing a single initial patent application to seek patent protection for an invention simultaneously in any one of the designated member states. Although a PCT application does not issue as a patent, it allows the applicant to seek protection in any of the member states through national-phase applications.

Competition

The standard of care for treating NMIBC patients is the TURBT procedure for tumor resection, followed by post-operative adjuvant chemotherapy or immunotherapy instillations, administered to prevent re-seeding of the

cancerous cells. The adjuvant agents used are predominately generic treatments and regimens. Only four drugs have been approved for bladder cancer: Thiotepa, which was approved by the FDA in 1959, BCG, which was approved by the FDA in 1989, Valstar, which was approved by the FDA in 1998 and Tecentriq, which was approved by the FDA in 2016. Despite the approval of these drugs, there remain high unmet needs in the bladder cancer market. BCG has been used to treat patients with CIS and high-grade T1 since 1990. Thiotepa and Valstar are rarely used, MMC, is used off-label as the standard adjuvant treatment in the post-TURBT setting for low-grade NMIBC patients and Tecentriq is used to treat locally advanced or metastic urothelial carcinoma only. Off-label means that while the FDA has not approved MMC as adjuvant treatment in the post-TURBT setting for low-grade NMIBC patients, physicians are permitted to utilize it as standard of care for this indication as part of medical practice. However, off-label usage as a standard of care does not change the FDA's approval criteria and does not suggest that FDA approval is more likely than for other investigational drugs. In the UTUC space, there are no approved drugs used to treat the disease. Tumor resection surgeries are conducted in some cases of low-grade UTUC; however, partial or complete kidney and upper urothelial tract removal is the standard of care for frequently recurring UTUC.

There are several products in the development pipeline, most of which are second- or third line-treatments mainly targeted for high-grade NMIBC patients who have failed BCG treatment. All are targeted to reduce recurrence, but none are developed to reduce the need for TURBT and other tumor resection therapies.

We are aware that other companies, such as Merck Sharp & Dohme Corp., Viventia Bio Inc., Telesta Therapeutics Inc., Heat Biologics, Inc., Viralytics Limited, AADi, LLC, Biocancell Ltd., Halozyme Therapeutics, Inc., Astellas Pharma Inc., Cold Genesys, Inc., Altor BioScience Corporation, FKD Therapies Oy, Nippon Kayaku Co., Ltd, Spectrum Pharmaceuticals, Inc., Taris Biomedical LLC and Handok Inc., are conducting or have recently conducted clinical trials for product candidates for the treatment of low-grade and high-grade NMIBC, including CIS. In addition, we are aware of several pharmaceutical companies that are developing drug candidates for muscle-invasive bladder cancer. The U.S. Food and Drug Administration approved Tecentriq (atezolizumab) for the treatment of locally advanced or metastic urothelial carcinoma, a form muscle invasive bladder cancer, on May 18, 2016. We do not know whether these potential competitors are already developing, or plan to develop, low-grade UTUC or high-grade UTUC treatments or other indications that we are pursuing.

In addition, we face competition from existing standards of treatment, including TURBT, which is surgery for bladder cancer. If we are not able to demonstrate that our product candidates are at least as safe and effective as such courses of treatment, medical professionals may not adopt our product candidates to replace the existing standard of care, which is a first-line tumor surgical procedure for both bladder cancer and UTUC.

The biopharmaceutical industry is intensely competitive and subject to rapid and significant technological change. Our potential competitors include large and experienced companies that enjoy significant competitive advantages over us, such as greater financial, research and development, manufacturing, personnel and marketing resources, greater brand recognition, and more experience and expertise in obtaining marketing approvals from the FDA and foreign regulatory authorities. These companies may develop new drugs to treat the indications that we target, or seek to have existing drugs approved for use for the treatment of the indications that we target.

These potential competitors may therefore introduce competing products without our prior knowledge and without our ability to take preemptive measures in anticipation of their commercial launch. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in this industry. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis products that are more effective, easier to administer or less costly than our product candidates.

Government Regulation

The FDA and comparable regulatory agencies in state and local jurisdictions and in foreign countries impose substantial requirements upon the clinical development, manufacture and marketing of pharmaceutical products. These agencies and other federal, state and local entities regulate research and development activities and the testing, manufacture, quality control, safety, effectiveness, labeling, storage, packaging, recordkeeping, tracking, approval, import, export, distribution, advertising and promotion of our products.

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

- nonclinical laboratory and animal tests that must be conducted in accordance with good laboratory practices, or GLPs;
- submission of an IND, which must become effective before clinical trials may begin;
- approval by an independent institutional review board, or IRB, for each clinical site or centrally before each trial may be initiated;
- adequate and well-controlled human clinical trials to establish the safety and efficacy of the proposed product candidate for its intended use, performed in accordance with good clinical practices, or GCPs;
- submission to the FDA of an NDA;
- satisfactory completion of an FDA advisory committee review, if applicable;
- pre-approval inspection of manufacturing facilities and selected clinical investigators for their compliance with cGMP and GCPs; and
- FDA approval of an NDA to permit commercial marketing for particular indications for use.

Prior to the commencement of marketing of controlled substances, the DEA must also determine the controlled substance schedule, taking into account the recommendation of the FDA.

The testing and approval process requires substantial time, effort and financial resources. 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. Prior to commencing the first clinical trial with a product candidate, we must submit the results of the preclinical tests and preclinical literature, together with manufacturing information, analytical data and any available clinical data or literature, among other things, to the FDA as part of an IND. Some preclinical studies may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the conduct of the clinical trial by imposing a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Submission of an IND may not result in FDA authorization to commence a clinical trial. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development, as well as amendments to previously submitted clinical trials. Further, an independent IRB for each study site proposing to conduct the clinical trial must review and approve the plan for any clinical trial, its informed consent form and other communications to study subjects before the clinical trial commences at that site. The IRB must continue to oversee the clinical trial while it is being conducted, including any changes to the study plans. Regulatory authorities, an IRB or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk, the clinical trial is not being conducted in accordance with the FDA's or the IRB's requirements, if the drug has been associated with unexpected serious harm to subjects, or based on evolving business objectives or competitive climate. Some studies also include a data safety monitoring board, which receives special access to unblinded data during the clinical trial and may advise us to halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy.

In general, for purposes of NDA approval, human clinical trials are typically conducted in three sequential phases that may overlap.

- Phase 1—Studies are initially conducted to test the product candidate for safety, dosage tolerance, structure-activity relationships, mechanism of action, absorption, metabolism, distribution and excretion in healthy volunteers or subjects with the target disease or condition. If possible, phase 1 trials may also be used to gain an initial indication of product effectiveness.
- Phase 2—Controlled studies are conducted with groups of subjects with a specified disease or condition to provide enough data to evaluate the preliminary efficacy, optimal dosages and dosing schedule and expanded evidence of safety. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—These clinical trials are undertaken in larger subject populations to provide statistically significant evidence of clinical efficacy and to further test for safety in an expanded subject population at multiple

clinical trial sites. Evidence is considered to be statistically significant when the probability of the result occurring by random chance, rather than from the efficacy of the treatment, is sufficiently low. These clinical trials are intended to establish the overall risk/benefit ratio of the product and provide an adequate basis for product labeling. These trials may be done globally to support global registrations so long as the global sites are also representative of the U.S. population and the conduct of the study at global sites comports with FDA regulations and guidance, such as compliance with GCPs.

The FDA may require, or companies may pursue, additional clinical trials after a product is approved. These so-called Phase 4 studies may be made a condition to be satisfied after approval. The results of Phase 4 studies can confirm the effectiveness of a product candidate and can provide important safety information.

Clinical trials must be conducted under the supervision of qualified investigators in accordance with GCP requirements, which includes the requirements that all research subjects provide their informed consent in writing for their participation in any clinical trial, and the review and approval of the study by an IRB. Investigators must also provide information to the clinical trial sponsors to allow the sponsors to make specified financial disclosures to the FDA. 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. Information about some clinical trials, including a description of the trial and trial results, must be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on their ClinicalTrials.gov website.

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 Federal Food, Drug and Cosmetic Act, or 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 SAEs occur.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product candidate as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

505(b)(2) Regulatory Approval Process

Section 505(b)(2) of the FDCA, or 505(b)(2), provides an alternate regulatory pathway to FDA approval for new or improved formulations or new uses of previously approved drug products. Specifically, 505(b)(2) permits the filing of an NDA 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 or use from the person by or for whom the investigations were conducted. The applicant may rely upon the FDA's prior findings of safety and efficacy for an approved product that acts as the reference listed drug for purposes of a 505(b)(2) NDA. The FDA may also require 505(b)(2) applicants to perform additional studies or measurements to support any changes from the reference listed drug. The FDA may then approve the new product candidate for all or some of the labeled indications for which the referenced product has been approved, as well as for any new indication sought by the 505(b)(2) applicant.

Orange Book Listing

Section 505 of the FFDCA 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 investigations that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted. 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 and clinical 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, including a 505(b)(2) NDA, applicants are required to list with the FDA patents whose claims cover the applicant’s product. Upon approval of an NDA, each of the patents listed in the application for the drug is then published in Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book. These products may be cited by potential competitors in support of approval of an ANDA or 505(b)(2) NDA.

Any applicant who files an ANDA seeking approval of a generic equivalent version of a drug listed in the Orange Book or a 505(b)(2) NDA referencing a drug listed in the Orange Book 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. This last certification is known as a Paragraph IV certification. 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 a Paragraph IV certification. If the applicant does not challenge the listed patents or does not indicate 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 competitor has provided a Paragraph IV certification to the FDA, the competitor must also send notice of the Paragraph IV certification to the holder of the NDA for the reference listed drug and the patent owner once the application has been accepted for filing by the FDA. The NDA holder or patent owner may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days of the receipt of a Paragraph IV certification prevents the FDA from approving the application until the earlier of 30 months from the date of the lawsuit, expiration of the patent, settlement of the lawsuit, a decision in the infringement case that is favorable to the applicant 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 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 applicant may also elect to submit a statement certifying that its proposed label does not contain, or carves out, any language regarding the patented method-of-use rather than certify to a listed method-of-use patent.

Exclusivity

The FDA provides periods of regulatory exclusivity, which provides the holder of an approved NDA limited protection from new competition in the marketplace for the innovation represented by its approved drug for a period of three or five years following the FDA's approval of the NDA. Five years of exclusivity are available to NCEs. An NCE is a drug that contains no active moiety that has been approved by the FDA in any other NDA. An active moiety
is the molecule or ion, excluding those appended portions of the molecule that cause the drug to be an ester, salt, including a salt with hydrogen or coordination bonds, or other noncovalent, or not involving the sharing of electron pairs between atoms, derivatives, such as a complex (*i.e.*, formed by the chemical interaction of two compounds), chelate (*i.e.*, a chemical compound), or clathrate (*i.e.*, a polymer framework that traps molecules), of the molecule, responsible for the therapeutic activity of the drug substance. During the exclusivity period, the FDA may not accept for review or approve an ANDA or a 505(b)(2) NDA submitted by another company that contains the previously approved active moiety. An ANDA or 505(b)(2) application, however, may be submitted one year before NCE exclusivity expires if a Paragraph IV certification is filed.

If a product is not eligible for the NCE exclusivity, it may be eligible for three years of exclusivity. Three-year exclusivity is available 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 trials, other than bioavailability or bioequivalence trials, was essential to the approval of the application and was conducted or 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, 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.

The Orphan Drug Act

Under the Orphan Drug Act, the FDA may grant Orphan Drug Designation to drugs intended to treat a rare disease or condition – generally a disease or condition that affects fewer than 200,000 individuals in the United States. Orphan Drug Designation must be requested before submitting an NDA. After the FDA grants Orphan Drug Designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan Drug Designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. The first NDA applicant to receive FDA approval for a particular active ingredient to treat a particular disease with FDA Orphan Drug Designation is entitled to a seven-year exclusive marketing period in the United States for that product, for that indication. During the seven-year exclusivity period, the FDA may not approve any other applications to market the same drug for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of Orphan Drug Designation are tax credits for certain research and a waiver of the NDA application user fee.

NDA Submission and Review by the FDA

Assuming successful completion of the required clinical and preclinical testing, among other items, the results of product development, including chemistry, manufacture and controls, nonclinical studies and clinical trials are submitted to the FDA, along with proposed labeling, as part of an NDA. The submission of an NDA requires payment of a substantial user fee to the FDA. 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. Fee waivers or reductions are available in some circumstances. One basis for a waiver of the application user fee is if the applicant employs fewer than 500 employees, including employees of affiliates, the applicant does not have an approved marketing application for a product that has been introduced or delivered for introduction into interstate commerce, and the applicant, including its affiliates, is submitting its first marketing application.

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.

The FDA must refer applications for drugs that contain active ingredients, including any ester or salt of the active ingredients, that have not previously been approved by the FDA to an advisory committee or provide in an action letter a summary of the reasons for not referring it to an advisory committee. The FDA may also refer drugs which present difficult questions of safety, purity or potency to an advisory committee. An advisory committee is typically a panel that includes clinicians and other experts who review, evaluate and make 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 considers such recommendations carefully when making decisions.

The FDA reviews applications to determine, among other things, whether a product is safe and effective for its intended use and whether the manufacturing controls are adequate to assure and preserve the product's identity, strength, quality and purity. Before approving an NDA, the FDA will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities, including contract manufacturers and subcontracts, are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA will typically inspect one or more clinical trial sites to assure compliance with GCPs.

Once the FDA receives an application, it has 60 days to review the NDA to determine if it is substantially complete to permit a substantive review, before it accepts the application for filing. Once the submission is accepted for filing, the FDA begins an in-depth review of the NDA. The FDA's NDA review times may differ based on whether the application is a standard review or priority review application. The FDA may give a priority review designation to drugs that are intended to treat serious conditions and provide significant improvements in the safety or effectiveness of the treatment, diagnosis, or prevention of serious conditions. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act, or PDUFA, the FDA has set the review goal of 10 months from the 60-day filing date to complete its initial review of a standard NDA for an NME and make a decision on the application. For non-NME standard applications, the FDA has set the review goal of 10 months from the submission date to complete its initial review and to make a decision on the application. For priority review applications, the FDA has set the review goal of reviewing NME NDAs within six months of the 60-day filing date and non-NME applications within six months of the submission date. Such deadlines are referred to as the PDUFA date. The PDUFA date is only a goal and the FDA does not always meet its PDUFA dates. The review process and the PDUFA date may also be extended if the FDA requests or the NDA sponsor otherwise provides additional information or clarification regarding the submission.

Once the FDA's review of the application is complete, the FDA will issue either a Complete Response Letter, or CRL, or approval letter. 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 or analyses in order for the FDA to reconsider the application. The FDA has the goal of reviewing 90% of application resubmissions in either two or six months of the resubmission date, depending on the kind of resubmission. Even with the submission of 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.

The FDA may delay or refuse approval of an NDA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product, 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 FDA may prevent or limit further marketing of a product, or impose additional post-marketing requirements, 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.

If regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which such product may be marketed or may include contraindications, warnings or precautions in the product labeling, which has resulted in a Black Box warning. The FDA also may not approve the inclusion of labeling claims necessary for successful marketing. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing regulatory standards is not maintained or if problems occur after the product reaches the marketplace. In addition, the FDA may require Phase 4 post-marketing studies to monitor the effect of approved products, and may limit further marketing of the product based on the results of these post-marketing studies.

Post-approval Requirements

Any products manufactured or distributed by us pursuant to FDA approvals are subject to continuing regulation by the FDA, including manufacturing, periodic reporting, product sampling and distribution, advertising, promotion, drug shortage reporting, compliance with any post-approval requirements imposed as a conditional of approval such as Phase 4 clinical trials, REMS and surveillance, recordkeeping and reporting requirements, including adverse experiences.

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. Drug manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies and to list their drug products, and are subject to periodic announced and unannounced inspections by the FDA and these state agencies for compliance with cGMPs and other requirements, which impose procedural and documentation requirements upon us and our third-party manufacturers. We cannot be certain that we or our present or future suppliers will be able to comply with the cGMP regulations and other FDA regulatory 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 cGMPs and specifications, 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.

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

The FDA closely regulates the marketing and promotion of drugs. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA. Physicians, in their independent professional medical judgement, may prescribe legally available products for uses that are not described in the product’s labeling and that differ from those tested by us and approved by the FDA. We, however, are prohibited from marketing or promoting drugs for uses outside of the approved labeling.

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. The Drug Supply Chain Security Act also imposes obligations on manufacturers of pharmaceutical products related to product and tracking and tracing.

Failure to comply with any of the FDA’s requirements could result in significant adverse enforcement actions. These include a variety of administrative or judicial sanctions, such as refusal to approve pending applications, license

suspension or revocation, withdrawal of an approval, imposition of a clinical hold or termination of clinical trials, warning letters, untitled letters, cyber letters, modification of promotional materials or labeling, product recalls, product seizures or detentions, refusal to allow imports or exports, total or partial suspension of production or distribution, debarment, injunctions, fines, consent decrees, corporate integrity agreements, refusals of government contracts and new orders under existing contracts, exclusion from participation in federal and state healthcare programs, restitution, disgorgement or civil or criminal penalties, including fines and imprisonment. Any of these sanctions could result in adverse publicity, among other adverse consequences.

Other Healthcare Regulations

Our business activities, including but not limited to, research, sales, promotion, distribution, medical education and other activities following product approval will be subject to regulation by numerous regulatory and law enforcement authorities in the United States in addition to the FDA, including potentially the Department of Justice, the Department of Health and Human Services and its various divisions, including the CMS and the Health Resources and Services Administration, the Department of Veterans Affairs, the Department of Defense and state and local governments. Our business activities must comply with numerous healthcare laws and regulations, including those described below.

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 reward, or in return for, the referral of an individual for, or purchasing, leasing, ordering, or arranging for the purchase, lease or order of, any good, facility, item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The term remuneration has been interpreted broadly to include anything of value. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. The exceptions and safe harbors are drawn narrowly and practices that involve remuneration that may be alleged to be intended to induce prescribing, purchasing or recommending 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 particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal 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 Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA, amended the intent requirement of the federal Anti-Kickback Statute, and other healthcare criminal fraud statutes, so that a person or entity no longer needs to have actual knowledge of the federal Anti-Kickback Statute, or the specific intent to violate it, to have violated the statute. The ACA also provided that a violation of the federal Anti-Kickback Statute is grounds for the government or a whistleblower to assert that a claim for payment of items or services resulting from such violation constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

The federal civil and criminal false claims laws, including the federal False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to, or approval by, the federal government, including the Medicare and Medicaid programs, or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim or to avoid, decrease or conceal an obligation to pay money to the federal government.

We, and our business activities, are subject to the civil monetary penalties statute which imposes penalties against any person or entity who, among other things, is determined to have presented or caused to be presented a claim to a federal health 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.

As a condition of receiving Medicaid coverage for prescription drugs, the Medicaid Drug Rebate Program requires manufacturers to calculate and report to CMS their Average Manufacturer Price, or AMP, which is used to determine rebate payments shared between the states and the federal government and, for some multiple source drugs, Medicaid payment rates for the drug, and for drugs paid under Medicare Part B, to also calculate and report their average sales price, which is used to determine the Medicare Part B payment rate for the drug. In January 2016, CMS issued a final rule regarding the Medicaid Drug Rebate Program, effective April 1, 2016, that, among other things, revises the manner in which the AMP is to be calculated by manufacturers participating in the program and

implements certain amendments to the Medicaid rebate statute created under the ACA. Drugs that are approved under a biologics license application, or BLA, or an NDA, including a 505(b)(2) NDA, are subject to an additional requirement to calculate and report the manufacturer's best price for the drug and inflation penalties which can substantially increase rebate payments. For BLA and NDA drugs, the Veterans Health Care Act requires manufacturers to calculate and report to the Department of Veterans Affairs a different price called the Non-Federal AMP, offer the drugs for sale on the Federal Supply Schedule, and charge the government no more than a statutory price referred to as the Federal Ceiling Price, which includes an inflation penalty. A separate law requires manufacturers to pay rebates on these drugs when paid by the Department of Defense under its TRICARE Retail Pharmacy Program. Knowingly submitting false pricing information to the government creates potential federal False Claims Act liability.

The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created additional federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or 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, regardless of whether the payor is public or private, knowingly and willfully embezzling or stealing from a health care benefit program, willfully obstructing a criminal investigation of a health care offense and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Additionally, the ACA amended the intent requirement of some of these criminal statutes under HIPAA so that a person or entity no longer needs to have actual knowledge of the statute, or the specific intent to violate it, to have committed a violation.

Additionally, the federal Open Payments program pursuant to the Physician Payments Sunshine Act, created under Section 6002 of the ACA and its implementing regulations, require some manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with specified exceptions) to report annually information related to specified payments or other transfers of value provided to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals and to report annually specified ownership and investment interests held by physicians and their immediate family members. Failure to submit timely, accurately and completely the required information for all payments, transfers of value and ownership or investment interests may result in civil monetary penalties of up to an aggregate of $150,000 per year and up to an aggregate of $1.0 million per year for "knowing failures."

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 implementing regulations, impose requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's security standards directly applicable to business associates, independent contractors or agents of covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. 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 govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Many states have also adopted laws similar to each of the above federal laws, which may be broader in scope and apply to items or services reimbursed by any third-party payor, including commercial insurers. We may also be subject to state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, and/or state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures.

Enforcement actions can be brought by federal or state governments or as "qui tam" actions brought by individual whistleblowers in the name of the government. Depending on the circumstances, failure to comply with these laws

can result in penalties, including criminal, civil and/or administrative criminal penalties, damages, fines, disgorgement, debarment from government contracts, individual imprisonment, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, exclusion of products from reimbursement under government programs, refusal to allow us to enter into supply contracts, including government contracts, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations, any of which could adversely affect our business.

Coverage and Reimbursement

Our ability to commercialize any products successfully also will depend in part on the extent to which coverage and adequate reimbursement for our products, once approved, and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, determine which medications they will cover and establish reimbursement levels. Assuming we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of our products. Therefore, coverage and adequate reimbursement is critical to new product acceptance. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available.

Government authorities and other third-party payors are developing increasingly sophisticated methods of controlling healthcare costs, such as by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices as a condition of coverage, are using restrictive formularies and preferred drug lists to leverage greater discounts in competitive classes, and are challenging the prices charged for medical products. Further, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

We cannot be sure that coverage and reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Coverage and reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not successfully commercialize any product candidate for which we obtain marketing approval.

Healthcare Reform Measures

The United States and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals designed to change the healthcare system in ways that could affect our ability to sell our products profitably. 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/or 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, in March 2010, the ACA was passed, which is changing health care financing by both governmental and private insurers and significantly affecting the U.S. pharmaceutical industry. The ACA, among other things, subjected manufacturers to new annual fees and taxes for specified branded prescription drugs, increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program, expanded health care fraud and abuse laws, revised the methodology by which rebates owed by manufacturers to the state and federal government for covered outpatient drugs under the Medicaid Drug Rebate Program are calculated, imposed an additional rebate similar to an inflation penalty on new formulations of drugs, extended the Medicaid Drug Rebate

Program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations, expanded the 340B program which caps the price at which manufacturers can sell covered outpatient pharmaceuticals to specified hospitals, clinics and community health centers, and provided incentives to programs that increase the federal government's comparative effectiveness research. Most recently, in January 2017, Congress voted to adopt a budget resolution for fiscal year 2017, or the Budget Resolution, that authorizes the implementation of legislation that would repeal portions of the ACA. The Budget Resolution is not a law; however, it is widely viewed as the first step toward the passage of repeal legislation. Further, on January 20, 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. Congress also could consider subsequent legislation to replace elements of the ACA that are repealed.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 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 up to 2% per fiscal year, which went into effect in April 2013, following passage of the Bipartisan Budget Act of 2015, and will remain in effect through 2025 unless additional U.S. Congressional action is taken. In addition, in January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several categories of healthcare providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Further, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for drugs. Additional health reform measures may continue and affect our business in unknown ways.

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 companies to maintain books and records that accurately and fairly reflect all transactions of the companies, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Foreign Regulation

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products to the extent we choose to develop or sell any products outside of the United States. The approval process varies from country to country and the time may be longer or shorter than that required to obtain FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

Manufacturing, Supply and Production

We do not own or operate manufacturing facilities for the production of our product candidates, nor do we have plans to develop our own manufacturing operations in the foreseeable future. We currently rely on third-party contract manufacturers for all of our required raw materials, active ingredients and finished products for our preclinical research and clinical trials, including the single pivotal Phase 3 clinical trial for MitoGel. We do not have long-term agreements with any of these third parties. We also do not have any current contractual relationships for the manufacture of commercial supplies of our product candidates if they are approved. If product candidates are approved by any regulatory agency, we intend to enter into agreements with a third-party contract manufacturer and one or more back-up manufacturers for the commercial production of those products.

Development and commercial quantities of any products that we develop will need to be manufactured in facilities, and by processes, that comply with the requirements of the FDA and the regulatory agencies of other jurisdictions in which we are seeking approval. We currently employ internal resources to manage our manufacturing contractors. The relevant manufacturers of our drug products for our current preclinical and clinical trials have advised us that they are compliant with both cGLP and cGMP.

Our product candidates, if approved, may not be producible in sufficient commercial quantities, in compliance with regulatory requirements or at an acceptable cost. We and our contract manufacturers are, and will be, subject to extensive governmental regulation in connection with the manufacture of any pharmaceutical products or medical devices. We and our contract manufacturers must ensure that all of the processes, methods and equipment are compliant with cGMP and cGLP for drugs on an ongoing basis, as mandated by the FDA and foreign regulatory authorities, and conduct extensive audits of vendors, contract laboratories and suppliers.

Marketing, Sales and Distribution

Given our stage of development, we do not have any internal sales, marketing or distribution infrastructure or capabilities, and our marketing department currently consists only of a marketing director, whose main responsibility is to produce marketing and communication materials, exhibitions, website content and to identify unmet needs in the urology market, assess their commercial potential and advise on the prioritization of the development of our future product candidates accordingly. We have recently formed a U.S. subsidiary, Urogen Pharma, Inc., to support our U.S. development and potential commercialization efforts.

In the event that we receive regulatory approvals for our products in markets outside of the United States, we intend, where appropriate, to pursue commercialization relationships, including strategic alliances and licensing, with pharmaceutical companies and other strategic partners, which are equipped to market or sell our products through their well-developed sales, marketing and distribution organizations in such countries.

In addition, we may out-license some or all of our worldwide patent rights to more than one party to achieve the fullest development, marketing and distribution of any products we develop.

Employees

As of December 31, 2016, we had 29 full-time employees and four part-time employees, 31 based in Israel and two based in the United States. Of these employees, 22 are primarily engaged in research and development activities and nine are primarily engaged in general and administrative matters. A total of 11 employees have an M.D. or Ph.D. degree. None of our employees is represented by a labor union. We have never experienced any employment-related work stoppages and believe our relationships with our employees are good.

Israeli labor laws govern the length of the workday and workweek, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, advance notice of termination, payments to the National Insurance Institute, and other conditions of employment and include equal opportunity and anti-discrimination laws. While none of our employees is party to any collective bargaining agreements, certain provisions of the collective bargaining agreements between the Histadrut (General Federation of Labor in Israel) and the Coordination Bureau of Economic Organizations (including the Industrialists' Associations) are applicable to our employees in Israel by order of the Israeli Ministry of Economy and Industry. These provisions primarily concern pension fund benefits for all employees, insurance for work-related accidents, recuperation pay and travel expenses. We generally provide our employees with benefits and working conditions beyond the required minimums.

Facilities

Our principal executive offices are located at 9 HaTa'asiya St., Ra'anana 4365007, Israel, where we lease an approximately 11,205 square foot facility. This Israeli facility houses our administrative headquarters and our research and development laboratories. We also maintain an office at 689 Fifth Avenue, New York, New York, where we lease approximately 1,588 square foot of space, which serves as the headquarters for our U.S. subsidiary. We believe that our existing facilities are adequate to meet our current needs, and that suitable additional or alternative spaces will be available in the future on commercially reasonable terms.

Environmental, Health and Safety Matters

We are subject to extensive environmental, health and safety laws and regulations in a number of jurisdictions, primarily Israel, governing, among other things: the use, storage, registration, handling, emission and disposal of chemicals, waste materials and sewage; chemicals, air, water and ground contamination; air emissions and the cleanup of contaminated sites, including any contamination that results from spills due to our failure to properly dispose of chemicals, waste materials and sewage. Our operations use chemicals and produce waste materials and sewage and require permits from various governmental authorities including, local municipal authorities, the Ministry of Environmental Protection and the Ministry of Health. The Ministry of Environmental Protection and the Ministry of Health, local authorities and the municipal water and sewage company conduct periodic inspections in order to review and ensure our compliance with the various regulations. These laws, regulations and permits could potentially require the expenditure by us of significant amounts for compliance or remediation. If we fail to comply with such laws, regulations or permits, we may be subject to fines and other civil, administrative or criminal sanctions, including the revocation of permits and licenses necessary to continue our business activities. In addition, we may be required to pay damages or civil judgments in respect of third-party claims, including those relating to personal injury (including exposure to hazardous substances we use, store, handle, transport, manufacture or dispose of), property damage or contribution claims. Some environmental, health and safety laws allow for strict, joint and several liability for remediation costs, regardless of comparative fault. We may be identified as a responsible party under such laws. Such developments could have a material adverse effect on our business, financial condition and results of operations. In addition, laws and regulations relating to environmental, health and safety matters are often subject to change. In the event of any changes or new laws or regulations, we could be subject to new compliance measures or to penalties for activities which were previously permitted.

Legal and Corporate Structure

Our legal and commercial name is UroGen Pharma Ltd. We were formed as a company in the State of Israel in April 2004. Urogen Pharma, Inc., our wholly owned subsidiary, was incorporated under the laws of the State of Delaware in October 2015.

Legal Proceedings

From time to time, we may become party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not currently involved in any legal proceedings that could reasonably be expected to have a material adverse effect on our business, financial condition or results of operations.

MANAGEMENT

Executive Officers, Key Personnel and Directors

The following table sets forth information relating to our executive officers, key personnel and directors as of December 31, 2016. Unless otherwise stated, the address for our executive officers, key personnel and directors is c/o UroGen Pharma Ltd., 9 Ha'Ta'asiya Street, Ra'anana 4365007, Israel.

NAME	AGE	POSITION
Executive Officers		
Ron Bentsur	51	Chief Executive Officer and Director
Gil Hakim	47	President, Israeli Operation
Gary Titus	57	Chief Financial Officer
Key Personnel		
Mark Schoenberg, M.D.	59	Medical Director
Non-Employee Directors		
Arie Belldegrun, M.D.	67	Chairman of the Board of Directors
Stuart Holden, M.D.	74	Director
Chaim Hurvitz	56	Director
Ran Nussbaum	44	Director
Pini Orbach, Ph.D.	52	Director

Our Executive Officers

Ron Bentsur has served as our Chief Executive Officer since August 2015, and as a member of our board of directors since October 2015. Mr. Bentsur has served as a member of the board of directors of Stemline Therapeutics, Inc. since 2009 and as a director of Advanced Inhalation Technologies, Ltd. since August 2015. Mr. Bentsur has more than 15 years of experience in the biotech industry. Until 2015, Mr. Bentsur served for more than five years as the Chief Executive Officer of Keryx Biopharmaceuticals, Inc., and during his tenure, Keryx received FDA approval pursuant to the FDA's 505(b)(2) regulatory pathway for Auryxia (ferric citrate) and launched it commercially in the United States. Prior to that Mr. Bentsur served as Chief Executive Officer of XTL Biopharmaceuticals Ltd., a position he held from January 2006 until April 2009. From October 2000 Mr. Bentsur was with Keryx and served as its Chief Financial Officer from June 2003 until his departure in January 2006. From July 1998 to October 2000, Mr. Bentsur served as Director of Technology Investment Banking at Leumi Underwriters, where he was responsible for all technology/biotechnology private placement and advisory transactions. From June 1994 to July 1998, Mr. Bentsur worked as an investment banker in New York City, spending most of this period at ING Barings Furman Selz. Mr. Bentsur holds a B.A. in Economics and Business Administration with distinction from the Hebrew University of Jerusalem, Israel and an M.B.A. (Magna Cum Laude), from New York University's Stern School of Business.

Gil Hakim has served as our President, Israeli Operation since August 2015 and, prior to that, served as our Chief Executive Officer since August 2010. Mr. Hakim has more than 20 years of experience in the biotech industry. Prior to joining us, Mr. Hakim served as Director of New Product Development at Medispec Ltd. from 2004 to 2010, and was in charge of product development in fields such as cardiology, urology and dermatology. Prior to Medispec, from 2002 to 2004, Mr. Hakim was Director of Marketing and Clinical Research at MTRE Advanced Technologies Ltd., a wholly owned subsidiary of Mennen Medical Ltd. that develops thermoregulation devices. Prior to that, from 2000 to 2002, he was Business Development Manager at Omrix Biopharmaceuticals, Inc. (acquired by Johnson & Johnson in 2008), which develops biological glue and blood derivative products. Before that, from 1998 to 2000, he served as European Product Manager at Biosense-Webster (Johnson & Johnson) in Belgium, following Johnson & Johnson's acquisition of Biosense Israel, where he was also part of the Research and Development team. Mr. Hakim holds a B.Sc. in Life Sciences from Ben-Gurion University, Israel.

Gary Titus has served as our Chief Financial Officer since July 2015. Mr. Titus has been a member of the board of directors of ImmunoCellular Therapeutics, Ltd. since January 2013. Mr. Titus has more than 20 years of business

experience in the healthcare and biopharmaceutical industries, primarily in senior management roles. Prior to his appointment as our Chief Financial Officer, from 2014 to 2015, Mr. Titus held the position of Chief Financial Officer of BioCardia, Inc. Prior to that, from 2008 to 2013, Mr. Titus was Senior Vice President and Chief Financial Officer at SciClone Pharmaceuticals, Inc. From 2006 to 2008, Mr. Titus was Senior Vice President of Finance and Chief Financial Officer at Kosan Biosciences, Inc. From 2003 to 2006, he was Chief Financial Officer and Vice President at Nuvelo, Inc. Earlier in his career, Mr. Titus held a variety of positions at other companies, including Metabolex, Inc., Intrabiotics Pharmaceuticals, Inc. and Johnson & Johnson. Mr. Titus holds a B.Sc. in Accounting from University of South Florida and a B.Sc. in Finance from University of Florida. Mr. Titus also completed the Global BioExecutive Program at the University of California Berkeley's Haas School of Business.

Our Key Personnel

Mark Schoenberg, M.D. has served as our Medical Director since February 2016. Dr. Schoenberg has over 20 years of experience in clinical practice and research focused on the care of patients with all forms of bladder cancer. Since April 2014, Dr. Schoenberg has been University Professor and Chairman of the Urology Department at The Montefiore Medical Center for The Albert Einstein College of Medicine of Yeshiva University. Prior to joining Montefiore, from 2005 to 2014, Dr. Schoenberg served as Director of Urologic Oncology and Bernard L. Schwartz Distinguished Professor of Urology at Johns Hopkins Hospital. Dr. Schoenberg is also the past chair of the Medical Advisory Board of the Bladder Cancer Advocacy Network, the author of The Guide to Living with Bladder Cancer, co-editor of The Textbook of Bladder Cancer, a contributor to Campbell's Urology and a seminars editor of the journal Urologic Oncology. Dr. Schoenberg received his M.D. (Alpha Omega Alpha) from the University of Texas Health Sciences Center and completed his residency in General Surgery and Urology at the Hospital of The University of Pennsylvania, where he served as chief resident and urology instructor, before completing basic research and clinical urologic oncology fellowships at Johns Hopkins under the auspices of The American Cancer Society. Dr. Schoenberg is a fellow of the American College of Surgeons, as well as a member of the American Association of Cancer Research, the Society of Urologic Oncology and the American Urological Association.

Our Directors

Arie Belldegrun, M.D. has served as our Chairman since December 2012. Dr. Belldegrun is Professor of Urology, holds the Roy and Carol Doumani Chair in Urologic Oncology, and Director of the UCLA Institute of Urologic Oncology at the David Geffen School of Medicine at UCLA. Prior to joining UCLA, he was a research fellow at the National Cancer Institute/National Institute of Health in surgical oncology and immunotherapy under Dr. Steven A. Rosenberg. Dr. Belldegrun has more than 20 years of experience in the life science and biotech industry. In 1996 he founded Agensys, Inc., a biotechnology company, and served as its founding Chairman of the board of directors and as a board member until 2007, when it was acquired by Astellas Pharma Inc. Dr. Belldegrun was also a founder and the Vice-Chairman of the board of directors and Chairman of the scientific advisory board of Cougar Biotechnology, Inc., a biotechnology company, from 2003 to 2009, when it was acquired by Johnson & Johnson. He currently serves as Chairman and Chief Executive Officer of Kite Pharma, Inc. (NASDAQ: KITE), Chairman of Arno Therapeutics, Inc., and Two River Group and as a board member of Teva Pharmaceutical Industries Ltd. Dr. Belldegrun completed his M.D. at the Hebrew University Hadassah Medical School in Jerusalem, Israel, his post graduate studies in Immunology at the Weizmann Institute of Science, Israel, and his residency in Urologic Surgery at Harvard Medical School. Dr. Belldegrun has authored several books in oncology and more than 500 scientific and medical papers related to urological cancers, immunotherapy, gene therapy, and cancer vaccines. Dr. Belldegrun is certified by the American Board of Urology and is a Fellow of the American College of Surgeons and the American Association of Genitourinary Surgeons.

Stuart Holden, M.D. has served as our director since December 2015. Dr. Holden has been the Chairman of ProQuest Investments' Scientific Advisory Board since it was founded in 1998. Since May 2014, Dr. Holden has served as a member of the UCLA faculty as a Health Sciences Clinical Professor of Urology, Spielberg Family Chair in Urologic Oncology, in the Department of Urology at the UCLA David Geffen School of Medicine and Associate Director of the UCLA Institute of Urologic Oncology. Dr. Holden has worked in the field of prostate cancer for more than 36 years. Dr. Holden also serves as Medical Director of the Prostate Cancer Foundation since the foundation's inception in 1993. Dr. Holden was the director of the Louis Warschaw Prostate Cancer Center at Cedars-Sinai Medical Center and the first holder of the Warschaw, Robertson, Law Families Chair in Prostate Cancer. Dr. Holden has served as a member of the board of directors of Telormedix SA since 2008, and served as a member of the board of directors of Acurian, Inc. from 1999 through 2014. In addition, he was a founding partner at Tower Urology

in Los Angeles. Dr. Holden received a B.A. degree from the University of Wisconsin-Madison and completed his medical degree and received his surgical training at Weill Cornell Medical College and the New York Hospital—Cornell University Medical College. He completed his urology residency at Emory University School of Medicine and fellowships in urology and developmental genetics at Memorial Sloan-Kettering Cancer Center. He also was awarded a clinical fellowship from the American Cancer Society. Dr. Holden was appointed to serve on our board by ProQuest Investments IV, L.P., one of our shareholders, pursuant to rights granted to such shareholder under our articles of association as in effect prior to this offering.

Chaim Hurvitz has served as our director since May 2013. Mr. Hurvitz has 31 years of experience in the life sciences industry. Mr. Hurvitz currently serves as Chief Executive Officer of CH Health, a private venture capital firm, a position he has held since May 2011. Prior to that, Mr. Hurvitz was a member of the senior management of Teva Pharmaceutical Industries Ltd., serving as the President of Teva International Group from 2002 until 2010, as President and Chief Executive Officer of Teva Pharmaceuticals Europe from 1992 to 1999 and as Vice President Israeli Pharmaceutical Sales from 1999 until 2002. Mr. Hurvitz served as a director of Teva Pharmaceutical Industries Ltd. from 2010 to 2014. Mr. Hurvitz served as a director of Aposense Ltd. from 2010 to 2014. Mr. Hurvitz currently serves as Chairman of Galmed Pharmaceuticals Ltd. Mr. Hurvitz has been Chairman of the pharmaceuticals branch of the Manufacturer's Association of Israel since 2001 and is a member of its board. Mr. Hurvitz received a B.A. in Political Science and Economics from Tel Aviv University, Israel. Mr. Hurvitz was appointed to serve on our board by Shirat HaChaim Ltd., one of our shareholders, pursuant to rights granted to such shareholder under our articles of association as in effect prior to this offering.

Ran Nussbaum has served as our director since May 2013. Mr. Nussbaum is a managing partner and the co-founder of The Pontifax Group, a group of Israeli-based life sciences venture funds focusing on investments in development stage bio-pharmaceutical and med-tech technologies and a shareholder of our company. He also serves as a board member on many of Pontifax's portfolio companies, including Kite Pharma, Inc., BioBlast Pharma Ltd., Eloxx Pharmaceuticals Ltd., Nutrina Ltd., OCON Medical Ltd and Quiet Therapeutics Ltd. Mr. Nussbaum was appointed to serve on our board by Pontifax (Israel) III Limited Partnership and Pontifax (Cayman) III Limited, two of our shareholders, pursuant to rights granted to such shareholders under our articles of association as in effect prior to this offering.

Pini Orbach, Ph.D. has served as our director since October 2014. Dr. Orbach has served as a director of Quiet Therapeutics Ltd. since January 2013. Dr. Orbach has 10 years of experience in executive positions. Since February 2010, Dr. Orbach has been the head of Pharma and Life Science at Arkin Holdings. Dr. Orbach was the Chief Executive Officer of NanoDoc Technology, Inc. from 2010 to 2015, Chairman of the board of directors of cCAM Biotherapeutics Ltd. from 2014 to 2015, and served as a Director of Quiet Therapeutics Ltd. since January 2013, FusiMab Ltd. from 2011 to 2014, HealOr Ltd. from 2010 to 2013, Metallo-Therapy Ltd. from 2011 to 2015, Insuline Medical Ltd. from December 2013 to January 2015, and CollPlant Holdings Ltd. from May 2013 to August 2014. Prior to joining Arkin Holdings, Dr. Orbach served as Chief Executive Officer of several healthcare companies in Israel. Dr. Orbach received his Ph.D. from the Department of Physiology and Functional Genomics at the University of Florida, and was a postdoctoral fellow at the Cardiovascular Research Center at Harvard Medical School. Dr. Orbach was appointed to serve on our board by Arkin Communications Ltd., one of our shareholders, pursuant to rights granted to such shareholder under our articles of association as in effect prior to this offering.

Arrangements Concerning Election of Directors; Family Relationships

Our board of directors consists of six directors. Currently serving directors will continue to serve pursuant to their appointment until the first annual general meeting of shareholders held after this offering. We are not a party to, and are not aware of, any voting agreements among our shareholders. In addition, there are no family relationships among our executive officers and directors. We intend to appoint an additional director to our board following this offering who would be independent under NASDAQ Rules.

Corporate Governance Practices

Companies incorporated under the laws of the State of Israel, whose shares are publicly traded, including companies with shares listed on the NASDAQ Global Market, are considered public companies under Israeli law and are required to comply with various corporate governance requirements under Israeli law relating to such matters as the composition and responsibilities of the audit committee and the compensation committee (subject to certain

exceptions that we intend to utilize), and a requirement to have an internal auditor. This is the case even if our shares are not listed on the Tel Aviv Stock Exchange, or TASE, which our shares are not expected to be. These requirements are in addition to the corporate governance requirements imposed by the NASDAQ Rules and other applicable provisions of U.S. securities laws to which we will become subject (as a foreign private issuer) upon the closing of this offering and the listing of our ordinary shares on the NASDAQ Global Market. Under the NASDAQ Rules, a foreign private issuer may generally follow its home country rules of corporate governance in lieu of the comparable requirements of the NASDAQ Rules, except for certain matters including the composition and responsibilities of the audit committee and the independence of its members within the meaning of the rules and regulations of the SEC.

We intend to rely on this "home country practice exemption" with respect to the following NASDAQ requirements:

- *Quorum*. As permitted under the Israeli Companies Law and pursuant to our amended and restated articles of association to be effective upon the closing of this offering, the quorum required for an ordinary meeting of shareholders will consist of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Israeli Companies Law, who hold at least 33 1/3% of the voting power of our shares (and in an adjourned meeting, with some exceptions, at least two shareholders), instead of 33 1/3% of the issued share capital required under the NASDAQ Rules.
- *Nomination of Directors*. With the exception of directors elected by our board of directors due to a vacancy, our directors are elected at an annual general meeting of our shareholders and hold office until the next annual general meeting following his or her election. See "Board Practices—Board of Directors." The nominations for directors, which are presented to our shareholders by our board of directors, are generally made by the board of directors itself or a duly authorized committee thereof, in accordance with the provisions of our amended and restated articles of association and the Israeli Companies Law.
- *Proxy Statements.* We will not be required to and, in reliance on home country practice, we do not intend to comply with certain NASDAQ Rules regarding the provision of proxy statements for general meetings of shareholders. Israeli corporate law does not have a regulatory regime for the solicitation of proxies. We intend to provide notice convening an annual general meeting, including an agenda and other relevant documents.
- *Shareholder Approval.* We will not be required to and, in reliance on home country practice, we do not intend to comply with certain NASDAQ Rules regarding shareholder approval for certain issuances of securities under NASDAQ Rule 5635. In accordance with the provisions of our amended and restated articles of association and the Israeli Companies Law, our board of directors is authorized to issue securities, including shares, warrants and convertible notes.

Other than as stated above, we currently intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act, the rules adopted by the SEC and the NASDAQ Global Market's listing standards.

Board Practices

Board of Directors

Under the Israeli Companies Law, our board of directors is responsible for setting our general policies and supervising the performance of management. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to management. Our executive officers are responsible for our day-to-day management and have individual responsibilities established by our board of directors. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to the terms of the employment agreement that we have entered into with him. All other executive officers are also appointed by our board of directors, and are subject to the terms of any applicable employment agreements that we may enter into with them.

Under our amended and restated articles of association, to be effective upon the closing of this offering, our board of directors must consist of at least five directors and not more than nine directors. Our board of directors will consist of six directors upon the closing of this offering. We intend to appoint an additional director to our board following the completion of this offering who would be independent under NASDAQ Rules. Other than vacancies to be filled

through selection by the remaining members of our board, the Israeli Companies Law and our amended and restated articles of association provide that directors are elected annually at the general meeting of our shareholders by a vote of the holders of a majority of the voting power represented present and voting in person, by proxy or by other voting instrument at that meeting. We have only one class of directors.

Under the Israeli Companies Law, our board of directors is required to employ independent judgment and discretion when voting, and is prohibited from entering into any voting arrangements with respect to actions taken at meetings of the board. Further, the Israeli Companies Law provides that in the event a director learns about an alleged breach of law or improper conduct of business relating to a company matter, said director must promptly take action to summon a meeting of the board of directors to address any such breach.

In accordance with the exemptions available to foreign private issuers under NASDAQ rules, we do not intend to follow the requirements of the NASDAQ rules with regard to the process of nominating directors. Instead, we intend to follow Israeli law and practice, in accordance with which our board of directors (or a committee thereof) is authorized to recommend to our shareholders director nominees for election.

In addition, our amended and restated articles of association allow our board of directors to appoint directors to fill vacancies on our board of directors, including filling empty board seats up to the maximum number of directors permitted under our articles of association, for a term of office equal to the remaining period of the term of office of each director whose office has been vacated. Vacancies on our board of directors may be filled by a vote of a simple majority of the directors then in office. A director so appointed will hold office until the next annual general meeting of our shareholders in which the other directors then in office are proposed to be replaced or reappointed.

Directors may be removed from office by a resolution at a general meeting of shareholders adopted by a majority of the voting power of our company or under other circumstances set forth in our amended and restated articles of association.

Under the Israeli Companies Law, we would be required to include on our board of directors at least two members, each of whom qualifies as an external director, and as to whom special qualifications, voting requirements and other provisions would be applicable. We would also be required to include one such external director on each of our board committees.

Under regulations promulgated under the Israeli Companies Law, Israeli companies whose shares are traded on stock exchanges such as the NASDAQ Stock Market that do not have a controlling shareholder (as defined therein) and which comply with the requirements of the jurisdiction where the company's shares are traded with respect to the appointment of independent directors and the composition of an audit committee and compensation committee, may elect not to follow the Israeli Companies Law requirements with respect to the composition of its audit committee and compensation committee and the appointment of external directors. As we do not have a controlling shareholder, we intend to comply with the requirements of the NASDAQ Stock Market with respect to the composition of our board and such committees, and therefore we will be exempt from the Israeli Companies Law requirements with respect thereto, including the appointment of external directors.

Leadership Structure of the Board

In accordance with the Israeli Companies Law and our amended and restated articles of association, our board of directors is required to appoint one of its members to serve as chairman of the board of directors. Our board of directors has appointed Arie Belldegrun, M.D. to serve as chairman of the board of directors.

Board Committees

Under the Israeli Companies Law and our amended and restated articles of association, our board of directors is permitted to form committees, and to delegate to any such committee powers allotted to the board of directors, subject to certain exceptions. In general, the board of directors may overturn a resolution adopted by a committee it has formed; provided, however, that the board's decision shall not affect the ability of third parties, who were not aware of such decision, to rely on the committee's resolution prior to the time it is overturned. Only members of the board of directors can be members of a board committee, unless the committee is solely advisory.

Audit Committee

Following the listing of our ordinary shares on the NASDAQ Global Market, our audit committee will consist of , and . will serve as chairman of the audit committee.

Israeli Companies Law Requirements

Under the Israeli Companies Law, we will be required to appoint an audit committee following the closing of this offering.

NASDAQ Listing Requirements

Under the NASDAQ Rules, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the NASDAQ Stock Market. Our board of directors has determined that is an audit committee financial expert as such term is defined by the SEC rules and has the requisite financial experience as defined by the NASDAQ Rules. Each of the members of our audit committee is "independent" as such term is defined in Rule 10A-3(b)(1) under the Exchange Act and satisfies the independent director requirements under the NASDAQ Rules.

Audit Committee Role

Our audit committee charter, to be effective upon the listing of our shares on the NASDAQ Global Market, sets forth the responsibilities of the audit committee consistent with the rules and regulations of the SEC and the NASDAQ Rules, as well as the requirements for such committee under the Israeli Companies Law, including the following:

- oversight of our independent registered public accounting firm and recommending the engagement, compensation or termination of engagement of our independent registered public accounting firm to the board of directors in accordance with Israeli law;
- recommending the engagement or termination of the person filling the office of our internal auditor; and
- recommending the terms of audit and non-audit services provided by the independent registered public accounting firm for pre-approval by our board of directors.

Our audit committee provides assistance to our board of directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by pre-approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal control over financial reporting. Our audit committee also oversees the audit efforts of our independent accountants and takes those actions that it deems necessary to satisfy itself that the auditors are independent of management.

Under the Israeli Companies Law, our audit committee is responsible for:

(i) determining whether there are deficiencies in the business management practices of our company, including in consultation with our internal auditor or the independent auditor, and making recommendations to the board of directors to improve such practices;

(ii) determining whether to approve certain related party transactions (including transactions in which an office holder has a personal interest and whether such transaction is extraordinary or material under the Israeli Companies Law) (see "Approval of Related Party Transactions under Israeli Law—Fiduciary Duties of Directors and Executive Officers");

(iii) establishing the approval process for certain transactions with a controlling shareholder or in which a controlling shareholder has a personal interest;

(iv) where the board of directors approves the working plan of the internal auditor, examining such working plan before its submission to the board of directors and proposing amendments thereto;

(v) examining our internal audit controls and internal auditor's performance, including whether the internal auditor has sufficient resources and tools to fulfill his responsibilities;

(vi) examining the scope of our auditor's work and compensation and submitting a recommendation with respect thereto to our board of directors or shareholders, depending on which of them is considering the appointment of our auditor; and

(vii) establishing procedures for the handling of employees' complaints as to the management of our business and the protection to be provided to such employees.

Compensation, Nominating and Corporate Governance Committee and Compensation Policy

Upon the listing of our ordinary shares on the NASDAQ Global Market, we intend to establish a compensation, nominating and corporate governance committee. The members of this committee will be , and , and will serve as chairman of such committee.

Israeli Companies Law Requirements

Under the Israeli Companies Law, the board of directors of a public company must appoint a compensation committee.

The duties of the compensation, nominating and corporate governance committee include the recommendation to the company's board of directors of a policy regarding the terms of engagement of office holders, to which we refer as a compensation policy. That policy must be adopted by the company's board of directors, after considering the recommendations of the compensation, nominating and corporate governance committee, and will need to be approved by the company's shareholders, which approval requires what we refer to as a Special Majority Approval for Compensation. A Special Majority Approval for Compensation requires shareholder approval by a majority vote of the shares present and voting at a meeting of shareholders called for such purpose, provided that either: (i) such majority includes at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such compensation arrangement, excluding abstentions; or (ii) the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation arrangement and who vote against the arrangement does not exceed 2% of the company's aggregate voting rights. We intend to adopt a compensation policy in conjunction with our listing on the NASDAQ Stock Market, which policy would be in effect until the fifth anniversary of this offering.

Even if the company's shareholders do not approve the compensation policy, the board of directors may resolve to approve the compensation policy if and to the extent the board determines, in its judgment following internal discussions, that approval of the compensation policy is in the best interests of the company.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must relate to certain factors, including advancement of the company's long-term objectives, business plan and policies, and creation of appropriate incentives for office holders. It must also consider, among other things, the company's risk management, size and the nature of its operations. The compensation policy must furthermore consider the following additional factors:

- the education, skills, expertise and accomplishments of the relevant office holder;
- the office holder's roles and responsibilities and prior compensation agreements with him or her;
- the relationship between the terms offered and the average compensation of the company's personnel;
- the impact of disparities in salary upon work relationships in the company;
- the possibility of reducing variable compensation at the discretion of the board of directors;
- the possibility of setting a limit on the exercise value of non-cash variable equity-based compensation; and
- as to severance compensation, the period of service of the office holder, the terms of his or her compensation during such service period, the company's performance during that period of service, the person's contribution towards the company's achievement of its goals and the maximization of its profits, and the circumstances under which the person is leaving the company.

The compensation policy must also include the following principles:

- the link between variable compensation and long-term performance and measurable criteria;

- the relationship between variable and fixed compensation, and the ceiling for the value of variable compensation;
- the conditions under which an office holder would be required to repay compensation paid to him or her if it was later shown that the data upon which such compensation was based was inaccurate and was restated in the company's financial statements;
- the minimum holding or vesting period for variable, equity-based compensation; and
- maximum limits for severance compensation.

Compensation, Nominating and Corporate Governance Committee Roles

The compensation, nominating and corporate governance committee is responsible for (i) recommending the compensation policy to our board of directors for its approval (and subsequent approval by our shareholders) and (ii) duties related to the compensation policy and to the compensation of our office holders, including:

- recommending whether a compensation policy should continue in effect, if the then-current policy has a term of greater than five years from a company's initial public offering, or otherwise three years (approval of either a new compensation policy or the continuation of an existing compensation policy must in any case occur five years from a company's initial public offering, or otherwise every three years);
- recommending to the board of directors periodic updates to the compensation policy;
- assessing implementation of the compensation policy;
- determining whether to approve the terms of compensation of certain office holders which, according to the Israeli Companies Law, require the committee's approval; and
- determining whether the compensation terms of a candidate for the position of the chief executive officer of the company needs to be brought to approval of the shareholders.

Our compensation, nominating and corporate governance charter, to be effective upon the closing of this offering, sets forth the responsibilities of the compensation, nominating and corporate committee, which include:

- the responsibilities set forth in the compensation policy;
- reviewing and approving the granting of options and other incentive awards to the extent such authority is delegated by our board of directors; and
- reviewing, evaluating and making recommendations regarding the compensation and benefits for our non-employee directors.

In addition, our compensation, nominating and corporate governance committee is responsible for:

- overseeing our corporate governance functions on behalf of the board;
- making recommendations to the board regarding corporate governance issues;
- identifying and evaluating candidates to serve as our directors consistent with the criteria approved by the board;
- reviewing and evaluating the performance of the board
- serving as a focal point for communication between director candidates, non-committee directors and our management;
- selecting or recommending to the board for selection candidates to the board; and
- making other recommendations to the board regarding affairs relating to our directors.

Disclosure of Compensation of Executive Officers

For so long as we qualify as a foreign private issuer, we are not required to comply with the proxy rules applicable to U.S. domestic companies, including the requirement applicable to emerging growth companies to disclose the compensation of our Chief Executive Officer, Chief Financial Officer, President, Israeli Operation and other two most highly compensated executive officers on an individual, rather than on an aggregate, basis. Nevertheless, under regulations promulgated under the Israeli Companies Law, we are required to disclose the annual compensation of our five most highly compensated office holders (as defined under the Israeli Companies Law) on an individual basis, rather than on an aggregate basis, as was previously permitted for Israeli public companies listed overseas. This

disclosure will not be as extensive as that required of a U.S. domestic issuer. We intend to commence providing such disclosure, at the latest, in the notice (which is generally part of the proxy statement) for our 2017 annual general meeting of shareholders, which will be filed under cover of a Report of Foreign Private Issuer on Form 6-K and we may elect to provide such information at an earlier date.

Internal Auditor

Under the Israeli Companies Law, the board of directors of an Israeli public company must appoint an internal auditor recommended by the audit committee. An internal auditor may not be:

- a person (or a relative of a person) who holds more than 5% of the company's outstanding shares or voting rights;
- a person (or a relative of a person) who has the power to appoint a director or the general manager of the company;
- an office holder (including a director) of the company (or a relative thereof); or
- a member of the company's independent accounting firm, or anyone on its behalf.

The role of the internal auditor is to examine, among other things, our compliance with applicable law and orderly business procedures, and to report to the chief executive officer, the chairman of the board and the chairman of the audit committee. The internal auditor is entitled to receive notice of audit committee meetings and to participate in them. In addition, the internal auditor may request that the chairman of the audit committee convene a meeting within a reasonable time to discuss an issue raised by the internal auditor. The internal auditor is responsible for preparing a proposal for an annual or periodical audit plan and submit such plan to the board of directors or the audit committee for their approval. We intend to appoint an internal auditor following the closing of this offering.

Approval of Related Party Transactions under Israeli Law

Fiduciary Duties of Directors and Executive Officers

The Israeli Companies Law codifies the fiduciary duties that office holders owe to a company. Each person listed in the table under "Executive Officers and Directors" is an office holder under the Israeli Companies Law.

An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of loyalty includes an obligation that an office holder act in good faith and in the best interests of the company.

The duty of care includes a duty to use reasonable means to obtain:

- information on the advisability of a given action brought for his or her approval or performed by virtue of his or her position; and
- all other important information pertaining to any such action.

The duty of loyalty includes a duty to:

- refrain from any conflict of interest between the performance of his or her duties to the company and his or her other duties or personal affairs;
- refrain from any activity that is competitive with the company;
- refrain from exploiting any business opportunity of the company to receive a personal gain for himself or herself or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his or her position as an office holder.

Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions

The Israeli Companies Law requires that an office holder promptly disclose to the board of directors any personal interest that he or she may be aware of and all related material information or documents concerning any existing or proposed transaction with the company. An interested office holder's disclosure must be made promptly and in any event no later than the first meeting of the board of directors at which the transaction is considered. A personal

interest includes an interest of any person in an action or transaction of a company, including a personal interest of such person's relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director or general manager or in which he or she has the right to appoint at least one director or the general manager, but excluding a personal interest stemming from one's ownership of shares in the company.

A personal interest also includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to his or her vote on behalf of a person for whom he or she holds a proxy even if such person has no personal interest in the matter. An office holder is not, however, required to disclose a personal interest if it derives solely from the personal interest of his or her relative in a transaction that is not considered an extraordinary transaction. Under the Israeli Companies Law, an "extraordinary transaction" is defined as any of the following:

- a transaction other than in the ordinary course of business;
- a transaction that is not on market terms; or
- a transaction that may have a material impact on a company's profitability, assets or liabilities.

If it is determined that an office holder has a personal interest in a transaction, which is not an extraordinary transaction, approval by the board of directors is required for the transaction, unless the company's articles of association provide for a different method of approval. Further, so long as an office holder has disclosed his or her personal interest in a transaction, the board of directors may approve an action by the office holder that would otherwise be deemed a breach of his or her duty of loyalty. However, a company may not approve a transaction or action that is not in the company's interest or that is not performed by the office holder in good faith.

An extraordinary transaction in which an office holder has a personal interest requires approval first by the company's audit committee and subsequently by the board of directors.

The compensation of, or an undertaking to indemnify or insure, an office holder who is not a director generally requires approval first by the company's compensation committee, then by the company's board of directors. If such compensation arrangement or an undertaking to indemnify or insure is inconsistent with the company's stated compensation policy, or if the office holder is the chief executive officer (apart from a number of specific exceptions), then such arrangement is further subject to a Special Majority Approval for Compensation. If the shareholders of a company do not approve the compensation terms of office holders at a meeting of the shareholders, other than directors, the compensation committee and board of directors may override the shareholders' decision, subject to certain conditions. Arrangements regarding the compensation, indemnification or insurance of a director require the approval of the compensation committee, board of directors and shareholders by simple majority, in that order, and under certain circumstances, a Special Majority Approval for Compensation.

Generally, a person who has a personal interest in a matter which is considered at a meeting of the board of directors or the audit committee may not be present at such a meeting or vote on that matter unless the chairman of the audit committee or board of directors (as applicable) determines that he or she should be present in order to present the transaction that is subject to approval. If a majority of the members of the audit committee or the board of directors (as applicable) has a personal interest in the approval of a transaction, then all directors may participate in discussions of the audit committee or the board of directors (as applicable) on such transaction and the voting on approval thereof, but shareholder approval is also required for such transaction.

Disclosure of Personal Interests of Controlling Shareholders and Approval of Certain Transactions

Pursuant to Israeli law, the disclosure requirements regarding personal interests that apply to directors and executive officers also apply to a controlling shareholder of a public company. In the context of a transaction involving a shareholder of the company, a controlling shareholder also includes a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company. For this purpose, the holdings of all shareholders who have a personal interest in the same transaction will be aggregated.

The approval of the audit committee, the board of directors and the shareholders of the company, in that order, is required for (i) extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a

personal interest, (ii) the engagement with a controlling shareholder or his or her relative, directly or indirectly, for the provision of services to the company, (iii) the terms of engagement and compensation of a controlling shareholder or his or her relative who is not an office holder or (iv) the employment of a controlling shareholder or his or her relative by the company, other than as an office holder. In addition, the shareholder approval requires one of the following, which we refer to as a Special Majority:

- at least a majority of the shares held by all shareholders who do not have a personal interest in the transaction and who are present and voting at the meeting approves the transaction, excluding abstentions; or
- the shares voted against the transaction by shareholders who have no personal interest in the transaction and who are present and voting at the meeting do not exceed 2% of the aggregate voting rights in the company.

To the extent that any such transaction with a controlling shareholder is for a period extending beyond three years and under certain conditions, five years from a company's initial public offering, approval is required at the end of such period unless, with respect to certain transactions, the audit committee determines that the duration of the transaction is reasonable given the circumstances related thereto.

Arrangements regarding the compensation, indemnification or insurance of a controlling shareholder in his or her capacity as an office holder require the approval of the compensation committee, board of directors and shareholders by a Special Majority.

Pursuant to regulations promulgated under the Israeli Companies Law, certain transactions with a controlling shareholder or his or her relative, or with directors or other office holders, that would otherwise require approval of a company's shareholders may be exempt from shareholder approval under certain conditions.

Shareholder Duties

Pursuant to the Israeli Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power in the company, including, among other things, in voting at a general meeting and at shareholder class meetings with respect to the following matters:

- an amendment to the company's articles of association;
- an increase of the company's authorized share capital;
- a merger; or
- the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from discriminating against other shareholders.

In addition, certain shareholders have a duty of fairness toward the company. These shareholders include a controlling shareholder, a shareholder who knows that he or she has the power to determine the outcome of a shareholder vote and a shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or other power towards the company. The Israeli Companies Law does not define the substance of the duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty to act with fairness.

Exculpation, Insurance and Indemnification of Directors and Officers

Under the Israeli Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our amended and restated articles of association which will be effective upon the closing of this offering include such a provision. A company may not exculpate in advance a director from liability arising out of a breach of the duty of care with respect to a distribution.

Under the Israeli Companies Law, a company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed by him or her as an office holder, either pursuant to an undertaking made

in advance of an event or following an event, provided its articles of association include a provision authorizing such indemnification:

- financial liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the abovementioned foreseen events and amount or criteria;
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding, and (ii) no financial liability was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (2) in connection with a monetary sanction; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf, or by a third party, or in connection with criminal proceedings in which the office holder was acquitted, or as a result of a conviction for an offense that does not require proof of criminal intent.

Under the Israeli Companies Law, a company may insure an office holder against the following liabilities incurred for acts performed by him or her as an office holder, if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, provided that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of the duty of care to the company or to a third party, to the extent such a breach arises out of the negligent conduct of the office holder; and
- a financial liability imposed on the office holder in favor of a third party.

Under the Israeli Companies Law, a company may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of the duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to the company to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, civil fine, monetary sanction or forfeit levied against the office holder.

Under the Israeli Companies Law, exculpation, indemnification and insurance of office holders in a public company must be approved by the compensation committee and the board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders. See "Approval of Related Party Transactions under Israeli Law—Fiduciary Duties of Directors and Executive Officers."

Our amended and restated articles of association to be effective upon the closing of this offering will permit us to exculpate, indemnify and insure our office holders to the fullest extent permitted or to be permitted by the Israeli Companies Law.

We have obtained directors and officers liability insurance for the benefit of our office holders and intend to increase such coverage in an amount standard for a company of our size prior to the closing of this offering. We intend to

maintain such increased coverage and pay all premiums thereunder to the fullest extent permitted by the Israeli Companies Law. In addition, prior to the closing of this offering, we intend to enter into agreements with each of our directors and executive officers exculpating them from liability to us for damages caused to us as a result of a breach of duty of care and undertaking to indemnify them, in each case, to the fullest extent permitted by our amended and restated articles of association to be effective upon the closing of this offering and Israeli law, including with respect to liabilities resulting from this offering to the extent that these liabilities are not covered by insurance. In the opinion of the SEC, however, indemnification of directors and office holders for liabilities arising under the Securities Act is against public policy and therefore unenforceable.

Code of Business Conduct and Ethics

We intend to adopt a Code of Business Conduct and Ethics applicable to all of our directors and employees, including our Chief Executive Officer, Chief Financial Officer, controller or principal accounting officer, or other persons performing similar functions, which is a “code of ethics” as defined in Item 16B of Form 20-F promulgated by the SEC. Upon the effectiveness of the registration statement of which this prospectus forms a part, the full text of the Code of Business Conduct and Ethics will be posted on our website at www.urogen.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and is not incorporated by reference herein. If we make any amendment to the Code of Business Conduct and Ethics or grant any waivers, including any implicit waiver, from a provision of the code of ethics, we will disclose the nature of such amendment or waiver on our website to the extent required by the rules and regulations of the SEC. Under Item 16B of Form 20-F, if a waiver or amendment of the Code of Business Conduct and Ethics applies to our principal executive officer, principal financial officer, principal accounting officer or controller and relates to standards promoting any of the values described in Item 16B(b) of Form 20-F, we are required to disclose such waiver or amendment on our website in accordance with the requirements of Instruction 4 to such Item 16B.

Compensation of Executive Officers and Directors

The aggregate compensation paid and equity-based compensation and other payments expensed by us to our directors and executive officers with respect to the year ended December 31, 2016 was $1.8 million. This amount does not include business travel, relocation, professional and business association dues and expenses reimbursed to office holders, and other benefits commonly reimbursed or paid by companies in our industry.

As of December 31, 2016, options to purchase 270,386 ordinary shares granted to our directors and executive officers were outstanding under our 2010 Israeli Share Option Plan at a weighted average exercise price of $15.00 per share and 86,000 restricted share units were granted to our directors and executive officers under our 2010 Israeli Share Option Plan. Such number excludes options to purchase up to 3,000 ordinary shares and 9,000 restricted share units, which are contingent upon the closing of this offering.

In March 2017, our board of directors adopted a director compensation policy to be effective upon the consummation of this offering, which provides for cash and equity compensation to be paid to our non-employee directors for their service on the board and its committees. Following the consummation of this offering, we intend to pay annual cash compensation of $ per year for service on the board, an additional $ for service as chairperson and $ for service as a member of the audit committee, and an additional $ for service as chairperson and $ for service as a member of the compensation, nominating and corporate governance committee. In addition, we intend to award equity compensation in the form of options to each of our non-employee directors who are serving as of the consummation of this offering to purchase ordinary shares with an exercise price equal to the public offering price in this offering, and for newly appointed directors thereafter, to award equity compensation in the form of options to purchase ordinary shares with an exercise price equal to the fair market value of the shares on the date of grant. We further intend to award on an annual basis equity compensation in the form of options to purchase ordinary shares with an exercise price equal to the fair market value of the shares on the date of grant to each of our non-employee directors. The ordinary shares to be issued to our non-employee directors would be awarded under our 2017 Equity Incentive Plan and the awards to be granted thereunder will be subject to the provisions thereof, including with respect to vesting and termination. Currently, our director compensation policy provides that the options granted to our non-employee directors will vest ratably over a 12-month period and will expire after 10-years from the date of grant.

We do not have any written agreements with any director providing for benefits upon the termination of such director's relationship with our company, other than our employment agreement with our Chief Executive Officer.

Agreements with Executive Officers; Consulting and Directorship Services Provided by Directors

Upon the closing of this offering, we will have entered into written employment agreements with all of our executive officers. These agreements contain standard provisions for a company in our industry regarding non-solicitation, confidentiality of information, non-competition and assignment of inventions. Our executive officers will not receive benefits upon the termination of their respective employment with us, other than payment of salary and benefits (and limited accrual of vacation days) during the required notice period for termination of their employment, which varies for each individual. In addition, we have entered into an agreement for management services with the chairman of our board of directors. See "Certain Relationships and Related Party Transactions—Agreements and Arrangements with, and Compensation of, Directors and Executive Officers" for additional information.

Equity Incentive Plans

2017 Equity Incentive Plan

Our board of directors adopted our 2017 Equity Incentive Plan, or our 2017 Plan, in March 2017 and our shareholders approved our 2017 Plan in 2017. Our 2017 Plan, which will become effective upon the consummation of this offering, provides for the grant of incentive stock options to our employees and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards, and other forms of stock awards to our employees, directors and consultants.

Authorized Shares. The maximum number of Ordinary Shares that may be issued under our 2017 Plan is % of the number of ordinary shares that will be outstanding immediately following this offering. In addition, the number of Ordinary Shares reserved for issuance under our 2017 Plan will automatically increase on January 1st of each calendar year, from January 1, 2018 through January 1, 2026, in an amount equal to % of the total number of Ordinary Shares outstanding on the last day of the calendar month prior to the date of each automatic increase, or a lesser number of shares determined by our board of directors. The maximum number of Ordinary Shares that may be issued upon the exercise of incentive stock options under our 2017 Plan is .

Ordinary Shares subject to stock awards granted under our 2017 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2017 Plan. Additionally, shares issued pursuant to stock awards under our 2017 Plan that we repurchase or that are forfeited, as well as shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award, become available for future grant under our 2017 Plan.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2017 Plan. Our board of directors may also delegate to one or more of our officers the authority to (1) designate employees (other than officers) to receive specified stock awards and (2) determine the number of shares subject to such stock awards. Under the 2017 Plan, our board of directors has the authority to determine the terms of awards, including recipients, the exercise, purchase or strike price of stock awards, if any, the number of shares subject to each stock award, the fair market value of an Ordinary Share, the vesting schedule applicable to the awards, together with any vesting acceleration, the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements.

Section 162(m) Limits. At such time as necessary for compliance with Section 162(m) of the Code, no participant may be granted stock awards covering more than shares (shares in the year of hire) of our Ordinary Shares under the 2017 Plan during any calendar year pursuant to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise price or strike price of at least 100% of the fair market value of our Ordinary Shares on the date of grant. Additionally, no participant may be granted in a calendar year a performance stock award covering more than shares (shares in the year of hire) of our Ordinary Shares or a performance cash award having a maximum value in excess of $

under our 2017 Plan. The limitations are designed to allow us to grant compensation that will not be subject to the $1,000,000 annual limitation on the income tax deductibility of compensation paid to a covered executive officer imposed by Section 162(m) of the Code.

Stock Options. Incentive stock options and nonstatutory stock options are granted pursuant to stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2017 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our Ordinary Shares on the date of grant. Options granted under the 2017 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator.

Restricted Stock Unit Awards. Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors, or a duly authorized committee of our board of directors, and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past services to us or any other form of legal consideration that may be acceptable to our board of directors, or a duly authorized committee of our board of directors, and permissible under applicable law. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ceases for any reason, we may receive through a forfeiture condition or a repurchase right any or all of the Ordinary Shares held by the participant that have not vested as of the date the participant terminates service with us.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the purchase price or strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of our Ordinary Shares on the date of grant. A stock appreciation right granted under the 2017 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator.

Performance Awards. The 2017 Plan permits the grant of performance-based stock and cash awards that may qualify as performance-based compensation that is not subject to the $1,000,000 limitation on the income tax deductibility imposed by Section 162(m) of the Code. Our compensation committee may structure awards so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to our Ordinary Shares. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2017 Plan, (2) the class and maximum number of shares by which the share reserve may increase automatically each year, (3) the class and maximum number of shares that may be issued upon the exercise of incentive stock options, (4) the class and maximum number of shares subject to stock awards that can be granted in a calendar year (as established under the 2017 Plan pursuant to Section 162(m) of the Code) and (5) the class and number of shares and exercise price, strike price or purchase price, if applicable, of all outstanding stock awards.

Transactions. Our 2017 Plan provides that in the event of certain specified significant transactions, including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction and (4) the consummation of a merger or consolidation where we do survive the transaction but our Ordinary Shares outstanding prior to such transaction are converted or exchanged into other property by virtue of the transaction, unless otherwise provided in an award agreement or other written agreement between us and the award holder, the administrator may take one or more of the following actions with respect to such stock awards: (1) arrange for the assumption, continuation or substitution of a stock award by a successor corporation, (2) arrange for the assignment of any reacquisition or repurchase rights held by us to a successor corporation, (3) accelerate the vesting, in whole or in part, of the stock award and provide for its termination prior to the transaction, (4) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us, (5) cancel or arrange for the cancellation of the stock award prior to the transaction in exchange for a cash payment, if any, determined by the board or (6) make a payment, in the form determined by the board, equal to the excess, if any, of the value of the property the participant would have received upon exercise of the awards prior to the transaction over any exercise price payable by the participant in connection with the exercise.

In the event of a change in control, awards granted under the 2017 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement. Under the 2017 Plan, a change in control is defined to include (1) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock, (2) a merger, consolidation or similar transaction in which our stockholders immediately prior to the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity), (3) a sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders, (4) our stockholders approve and the Board approves a plan of complete dissolution or liquidation or a complete dissolution or liquidation of the Company otherwise occurs except for a liquidation into a parent corporation and (5) a circumstance in which the members of the Incumbent Board (as defined in the 2017 Plan) no longer constitute a majority of the members of the Board.

Transferability. A participant may not transfer stock awards under our 2017 Plan other than by will, the laws of descent and distribution or as otherwise provided under our 2017 Plan.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend or terminate our 2017 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No incentive stock options may be granted after the tenth anniversary of the date our board of directors adopted our 2017 Plan. No stock awards may be granted under our 2017 Plan while it is suspended or after it is terminated.

Acceleration Upon Death. Our 2017 Plan provides that if a participant dies while in a service relationship with us, all vested options and stock appreciation rights held by the participant as of the date of death shall be exercisable by the participant's estate, by a person who acquired the right to exercise the option or stock appreciation right by bequest or inheritance, or by a person designated to exercise the option or stock appreciation right upon the participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the participant's award agreement), and (ii) the expiration of the term of such option or stock appreciation right as set forth in the award agreement.

2017 Israeli Equity Incentive Sub Plan

Our 2017 Israeli Equity Incentive Sub Plan will govern equity awards granted to our Israeli employees, directors and service providers. The 2017 Israeli Equity Incentive Sub Plan was adopted under our 2017 Equity Incentive Plan. The 2017 Israeli Equity Incentive Sub Plan provides for the grant by us of awards pursuant to Sections 102 and 3(i) of the Israeli Income Tax Ordinance [New Version], 5721 - 1961, or the Ordinance, and the rules and regulations promulgated thereunder. The 2017 Israeli Equity Incentive Sub Plan is effective with respect to awards granted from 30 days after the date we submitted it to the Israeli Tax Authority, or the ITA. The 2017 Israeli Equity Incentive Sub

Plan provides for awards to be granted to those of our or our affiliates' employees, directors and officers who are not Controlling Shareholders, as defined in the Ordinance, and who are considered Israeli residents, to the extent that such awards either are (i) intended to qualify for special tax treatment under the "capital gains track" provisions of Section 102(b)(2) of the Ordinance or (ii) not intended to qualify for such special tax treatment. For more information regarding the "capital gains stock," see "—2010 Israeli Share Option Plan." The 2017 Israeli Equity Incentive Sub Plan also provides for the grant of awards under Section 3(i) of the Ordinance to our Israeli non-employee service providers and Controlling Shareholders, who are not eligible for such special tax treatment.

2010 Israeli Share Option Plan

In September 2010, we adopted our 2010 Israeli Share Option Plan, or the 2010 Plan. The 2010 Plan provides for the grant of share options and restricted share units to our company's employees, non-employee directors and consultants. The reserved pool of shares under the 2010 Plan is 844,859 shares. On March 29, 2017, our board resolved that as of the consummation of this offering, shares that are forfeited, cancelled, terminated or expire unexercised under the 2010 Plan shall not be available for issuance under new awards.

The 2010 Plan provides for the grant by us of awards pursuant to Sections 102 and 3(i) of the Ordinance and the rules and regulations promulgated thereunder. Section 102 of the Ordinance allows employees, directors and officers who are not controlling shareholders and who are Israeli residents, to receive favorable tax treatment for compensation in the form of shares or options. Section 102 of the Ordinance includes two alternatives for tax treatment involving the issuance of options or shares to a trustee for the benefit of the grantees and also includes an additional alternative for the issuance of options or shares directly to the grantee. Section 102(b)(2) of the Ordinance, which provides the most favorable tax treatment for grantees, permits the issuance to a trustee under the "capital gains track." In order to comply with the terms of the capital gains track, all options granted under a specific plan and subject to the provisions of Section 102 of the Ordinance, as well as the shares issued upon exercise of such options and other shares received following any realization of rights with respect to such options, such as share dividends and share splits, must be registered in the name of a trustee selected by the board of directors and held in trust for the benefit of the relevant employee, director or officer. The trustee may not release these options or shares to the relevant grantee before the second anniversary of the registration of the options in the name of the trustee. However, under this track, we are not allowed to deduct an expense with respect to the issuance of the options or shares.

The 2010 Plan provides for awards to be granted to our employees or those of our affiliates, directors and officers who are not controlling shareholders, as defined in the Ordinance, and who are considered Israeli residents, to the extent that such awards either are (i) intended to qualify for special tax treatment under the "capital gains track" provisions of Section 102(b)(2) of the Ordinance or (ii) not intended to qualify for such special tax treatment. The 2010 Plan also provides for the grant of awards under Section 3(i) of the Ordinance to our Israeli non-employee service providers and controlling shareholders, who are not eligible for such special tax treatment.

The 2010 Plan is administered by our board of directors. Although awards under the 2010 Plan may be granted until 10 years after the effective date of the 2010 Plan, as of the consummation of this offering, we will not grant additional awards under the 2010 Plan.

The terms of options granted under the 2010 Plan, including the exercise price, vesting provisions and the duration are determined by our board of directors and set forth in an award agreement. Except as provided in the applicable award agreement, or in the discretion of the compensation committee, an option may be exercised only to the extent that it is then exercisable and, generally, shall expire for employees 90 days following termination of the service of the grantee, and in the case of retiring directors, not later than nine months following our listing on the NASDAQ Global Market.

Restricted share units are awards covering a number of hypothetical units with respect to shares that are granted subject to such vesting and transfer restrictions and conditions of payment as our board of directors may determine in an award agreement. Restricted share units are payable in cash, ordinary shares of equivalent value or a combination thereof.

In the event of any dividend (excluding any ordinary dividend) or other distribution, recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, split-off, combination, repurchase or exchange of shares or similar event (including a change in control) that affects the ordinary shares, the board of directors will make any such adjustments in such manner as it may deem equitable, including any or all of the following: (i) adjusting the number of shares available for grant under the 2010 Plan, and (ii) providing for a substitution or assumption of awards.

All unvested options shall vest in their entirety upon (i) the sale of all or substantially all of the shares of the Company, (ii) a merger, consolidation or reorganization in which the Company is not the surviving entity, or (iii) the sale, transfer or disposition of all or substantially all of the assets of the Company. Further, in such event the optionholders may elect to exchange the options for ordinary shares on a cashless exercise basis.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of December 31, 2016 by:

- each person or entity known by us to own beneficially 5% or more of our outstanding ordinary shares;
- each of our directors and executive officers individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of our ordinary shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power, or the right to receive the economic benefit of ownership. For purposes of the table below, we deem ordinary shares issuable pursuant to options that are currently exercisable or exercisable within 60 days of December 31, 2016 to be outstanding and to be beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person.

The percentage of shares beneficially owned has been computed on the basis of 2,571,114 ordinary shares outstanding as of December 31, 2016, which reflects the assumed exercise for cash of all of our warrants to purchase preferred shares and the subsequent conversion of all of our preferred shares into ordinary shares. For purposes of calculating the number of ordinary shares into which each preferred share will convert immediately prior to the consummation of this offering, we have assumed an initial public offering price of $ per ordinary share, the midpoint of the range set forth on the cover page of this prospectus. This calculation, before giving effect to this offering, does not give effect to any shares that may be acquired pursuant to the directed share program.

As of December 31, 2016 and based on their reported registered office, 43 of our shareholders were U.S. persons, holding in aggregate approximately 25.0% of our outstanding ordinary shares immediately prior to this offering. We have also set forth below information known to us regarding any significant change in the percentage ownership of our ordinary shares by any major shareholders during the past three years. Except where otherwise indicated, we believe, based on information furnished to us by such owners, that the beneficial owners of the ordinary shares listed below have sole investment and voting power with respect to such shares.

Following the closing of this offering, all of our shareholders, including the shareholders listed below, will have the same voting rights attached to their ordinary shares, and neither our principal shareholders nor our directors and executive officers will have different or special voting rights with respect to their ordinary shares. See “Description of Share Capital—Voting Rights.” A description of any material relationship that our principal shareholders have had with us or any of our predecessors or affiliates within the past three years is included under “Certain Relationships and Related Party Transactions.”

Unless otherwise noted below, the address of each shareholder, director and executive officer is c/o UroGen Pharma Ltd., 9 Ha'Ta'asiya St., Ra'anana 4365007, Israel.

	NUMBER AND PERCENTAGE OF ORDINARY SHARES BENEFICIALLY OWNED PRIOR TO OFFERING		PERCENTAGE OF ORDINARY SHARES BENEFICIALLY OWNED AFTER THE OFFERING	
NAME OF BENEFICIAL OWNER	NUMBER	PERCENT	ASSUMING NO EXERCISE OF OPTION (15) PERCENT	ASSUMING FULL EXERCISE OF OPTION (15) PERCENT
5% or Greater Shareholders				
Arkin Communication Ltd. (1)	539,475	21.0%		
Pontifax (Israel) III Limited Partnership (2)	292,731	11.4%		
Pontifax Cayman III Limited Partnership (3)	136,663	5.3%		
ProQuest Investments IV, L.P. (4)	263,158	10.2%		
Telormedix SA (5)	216,000	8.4%		
Tatham Investments Ltd. (6)	130,025	5.1%		
Directors and Executive Officers				
Arie Belldegrun, M.D. (7)	80,842	3.1%		
Ron Bentsur (8)	42,401	1.6%		
Chaim Hurvitz (9)	131,395	5.1%		
Pini Orbach, Ph.D. (10)	6,013	*		
Stuart Holden, M.D. (11)	221,000	8.6%		
Gil Hakim (12)	69,563	2.6%		
Gary Titus (13)	19,763	*		
Ran Nussbaum (14)	429,394	16.7%		
All directors and executive officers as a group (eight persons)	1,000,371	36.2%		

* Indicates beneficial ownership of less than 1% of the total ordinary shares outstanding.

(1) Consists of (i) 421,053 ordinary shares issuable upon conversion of preferred shares and (ii) 118,422 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and conversion thereof into ordinary shares. Mr. Moshe Arkin is the sole beneficial owner of Arkin Communication Ltd. The percentage ownership of Arkin Communication Ltd. increased from 15.8% as of December 31, 2014, in connection with its initial investment, to 21.0% as of December 31, 2015, in connection with its additional investment. The address of Arkin Communication Ltd. is 6 HaChoshlim St., Bldg. C, Herzliya 46724, Israel.

(2) Consists of (i) 85,216 ordinary shares; (ii) 175,814 ordinary shares issuable upon conversion of preferred shares; (iii) 26,910 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and conversion thereof into ordinary shares and (iv) 4,791 ordinary shares issuable upon exercise of outstanding options. Does not include 6,817 ordinary shares issuable upon exercise of outstanding options which have not vested. Pontifax Management Fund III L.P. is the general partner of Pontifax (Israel) III Limited Partnership, and Pontifax Management III G.P. (2011) Ltd. is the general partner of Pontifax Management Fund III L.P. Tomer Kariv and Ran Nussbaum are directors of Pontifax Management GP and, as such, hold voting and/or dispositive power over the shares held by Pontifax (Israel) III Limited Partnership. The address of Pontifax (Israel) III Limited Partnership is 14 Shenkar St., Herzliya 4672514, Israel.

(3) Consists of (i) 39,784 ordinary shares; (ii) 82,080 ordinary shares issuable upon conversion of preferred shares; (iii) 12,564 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and conversion thereof into ordinary shares and (iv) 2,235 ordinary shares issuable upon exercise of outstanding options. Does not include 3,183 ordinary shares issuable upon exercise of outstanding options which have not vested. Pontifax Management Fund III L.P. is the general partner of Pontifax Cayman III Limited Partnership, and Pontifax Management III G.P. (2011) Ltd. is the general partner of Pontifax Management Fund III L.P. Tomer Kariv and Ran Nussbaum are directors of Pontifax Management GP and, as such, hold voting and/or dispositive power over the shares held by Pontifax Cayman III Limited Partnership. The address of Pontifax Cayman III Limited Partnership is 14 Shenkar St., Herzliya 4672514, Israel.

(4) Consists of 263,158 ordinary shares issuable upon conversion of preferred shares. ProQuest Associates IV LLC is the managing member and sole general partner of ProQuest Investments VI, L.P. Jay Moorin and Alain Schreiber are the managing members of ProQuest Associates IV LLC and, as such, hold voting and/or dispositive power over the shares held by ProQuest Investments IV, L.P. The percentage ownership of ProQuest Associates IV LLC increased from 0% to 10.2% during 2015 in connection with its initial investments. The address of ProQuest Investments IV, L.P. is 2430 Vanderbilt Beach Road, 108-190, Naples, FL 34109, USA.

(5) Consists of 216,000 ordinary shares issuable upon conversion of preferred shares. Does not include up to 87,000 ordinary shares that may be issued in the future upon the achievement of certain milestones under the Vesimune asset purchase agreement with Telormedix SA. 62.6% of the beneficial ownership of these securities is held by ProQuest Investments IV, L.P., and 37.4% of the beneficial ownership of these securities is held by Aravis SA. Alain Schreiber, Stuart Holden, Johanna Holldack and Jean-Philippe Tripet, through these entities, share voting and dispositive power over the shares held by Telormedix. The percentage ownership of Telormedix SA increased from 0% to 8.4% during 2015 in connection with its initial investments. The address of Telormedix SA is Via della Posta 10, H-6934 Bioggio, Switzerland.

(6) Consists of (i) 35,500 ordinary shares; (ii) 81,372 ordinary shares issuable upon conversion of preferred shares and (iii) 13,153 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and conversion thereof into ordinary shares. Tatham Investments Ltd. is beneficially owned by Shimon Elkabetz. The address of Tatham Investments Ltd. is 2-4 Arch, Makarios III Ave, Capital Center, 703 Nicosia, Cyprus.

(7) Consists of (i) 26,316 ordinary shares issuable upon conversion of preferred shares held by Bellco Capital, LLC through several entities controlled by it, a company beneficially owned by Arie Belldegrun, M.D. and his spouse Rebecka Belldegrun, M.D. and (ii) 54,526 ordinary shares issuable upon exercise of outstanding options. Does not include 37,500 ordinary shares issuable upon exercise of outstanding options which have not vested.

(8) Consists of 10,526 ordinary shares issuable upon conversion of preferred shares and 31,875 ordinary shares issuable upon exercise of outstanding restricted shares units. Does not include 54,125 ordinary shares issuable upon outstanding restricted share units which have not vested, and 9,000 ordinary shares issuable upon the vesting of restricted share units, the grant of which is contingent upon the closing of this offering.

(9) Consists of (i) 31,250 ordinary shares, 78,948 ordinary shares issuable upon conversion of preferred shares and 13,158 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and conversion thereof into ordinary shares beneficially held by Shirat HaChaim Ltd., a company beneficially owned by Chaim Hurvitz, and (ii) 8,039 ordinary shares issuable upon exercise of outstanding options. Does not include 10,000 ordinary shares issuable upon exercise of outstanding options which have not vested.

(10) Consists of 6,013 ordinary shares issuable upon exercise of outstanding options. Does not include 10,000 ordinary shares issuable upon exercise of outstanding options which have not vested.

(11) Consists of beneficial ownership of securities held by Telormedix SA described in note 5 above and of 5,000 ordinary shares issuable upon exercise of outstanding options. Does not include 10,000 ordinary shares issuable upon exercise of outstanding options which have not vested.

(12) Consists of (i) 5,882 ordinary shares; (ii) 1,316 ordinary shares issuable upon conversion of preferred shares and (iii) 62,365 ordinary shares issuable upon exercise of outstanding options. Does not include 19,917 ordinary shares issuable upon exercise of outstanding options which have not vested, of which 15,000 were granted in January 2016.

(13) Consists of 5,263 ordinary shares issuable upon conversion of preferred shares and 14,500 ordinary shares issuable upon exercise of outstanding options. Does not include 17,500 ordinary shares issuable upon exercise of outstanding options which have not vested, of which 15,000 were granted in January 2016. Does not include 3,000 ordinary shares issuable upon exercise of options, the grant of which is contingent upon the closing of this offering.

(14) Consists of beneficial ownership of securities held by Pontifax (Israel) III Limited Partnership and Pontifax Cayman III Limited Partnership described in notes 2 and 3 above.

(15) Underwriters' option to purchase additional ordinary shares, as set out on the cover page of this prospectus.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with Shareholders

Registration rights agreement

We have entered into an investors' rights agreement dated September 18, 2014, as amended on October 1, 2015 and on April 12, 2016, or the Registration Rights Agreement, with certain of our shareholders. The Registration Rights Agreement provides that certain holders of our ordinary shares have the right to demand that we file a registration statement or request that their ordinary shares be covered by a registration statement that we are otherwise filing. Any registration rights with respect to this offering have been waived. The registration rights are described in more detail under "Description of Share Capital—Registration Rights." All rights under the Registration Rights Agreement, other than the registration rights, will terminate upon the closing of this offering.

Telormedix SA agreement

We have entered into an asset purchase agreement, or the agreement, dated as of October 1, 2015, with Telormedix SA. Also on October 1, 2015, we entered into the 2015 Share Purchase Agreement, as further described below, pursuant to which ProQuest, which beneficially owns 62.6% of Telormedix, became a 10% beneficial owner of the company. Pursuant to the 2015 Share Purchase Agreement, ProQuest appointed Stuart Holden, M.D., who is a member of the board of directors of Telormedix, to our board of directors. Pursuant to the agreement, we purchased all of the intellectual property assets of Telormedix in consideration for an aggregate amount of 216,000 shares of our Series A preferred shares with a liquidation preference of $19.00 per share. This includes 54,000 of our Series A preferred shares, which are being held in escrow and will be automatically released to Telormedix on the earlier of (i) 12 months from the date of initial closing and (ii) the consummation of this offering, unless we have raised a valid claim prior to the expiration of this period. Upon the occurrence of three specified regulatory milestones, we will issue an additional 29,000 Series A preferred shares, or 29,000 ordinary shares in the event the milestone is achieved following the completion of this offering, to Telormedix upon the occurrence of each milestone, for an aggregate potential maximum amount of 87,000 Series A preferred shares, or 87,000 ordinary shares in the event the milestone is achieved following the completion of this offering.

Agreements and Arrangements with, and Compensation of, Directors and Executive Officers

Employment agreements

We have entered into written employment agreements with each of our executive officers. These agreements contain customary provisions and representations, including confidentiality, non-competition, non-solicitation and inventions assignment undertakings by the executive officers. However, the enforceability of the non-competition provisions may be limited under applicable law. The agreements are terminable by us at will, subject to prior notice, which varies for each individual. Our executive officers will not receive benefits upon termination of their respective employment with us, other than payment of salary and benefits (and limited accrual of vacation days) during the required notice period for termination of their employment. However, Ron Bentsur, our Chief Executive Officer, and Gary Titus, our Chief Financial Officer, will be entitled to accelerated vesting of their restricted stock units and stock options, respectively, in the event of termination without cause.

Consulting and option agreements

We entered into an agreement with our chairman of the board of directors, Arie Belldegrun, M.D., for management services pertaining to the development of our business. These services included serving as chairman of the board of directors, assisting us in our financing activities and overseeing our clinical development activities. In consideration of these services, as of December 31, 2016, we had issued Dr. Belldegrun options under our 2010 Israeli Share Option Plan to purchase 40,000 ordinary shares at $12.85 per share and 52,026 ordinary shares at $16.00 per share. The agreement had no fixed term and was terminable at will (i) by Dr. Belldegrun upon 30 days' prior written notice and (ii) by us at any time pursuant to the directions of our board of directors or shareholders. The agreement contained customary provisions and representations, including confidentiality and inventions assignment undertakings by Dr. Belldegrun. On March 29, 2017, our board resolved to terminate the agreement.

We have also entered into an option agreement with our other non-executive directors, Pini Orbach, Chaim Hurvitz and Stuart Holden and option agreements with Pontifax (Israel) III Limited Partnership and Pontifax (Cayman) III Limited Partnership, which are represented by our non-executive director Ran Nussbaum, according to which each

was granted options under our 2010 Israeli Share Option Plan in the number and on the terms set out in the section above titled “Principal Shareholders.”

Financing agreements

Between 2012 and 2015, Arkin Communications Ltd. or Arkin, which appointed Pini Orbach, Ph.D., to our board of directors, Pontifax (Israel) III Limited Partnership, or Pontifax IL, and Pontifax (Cayman) III Limited Partnership, or Pontifax CM, which appointed Ran Nussbaum to our board of directors, Shirat HaChaim Ltd., or Shirat HaChaim, a company controlled by our director Chaim Hurvitz, Bellco Capital LLC, or Bellco, through several entities controlled by it (the beneficial owners of Bellco Capital are Rebecka Belldegrun, M.D. and our chairman Arie Belldegrun, M.D.) and ProQuest Investments IV, L.P., or ProQuest, which appointed Stuart Holden, M.D. to our board of directors, invested in the company an aggregate amount of approximately $22.4 million in consideration of the securities described below:

From January 2012 through July 2013, we entered into share purchase agreements with Pontifax IL, Pontifax CM, Shirat HaChaim and other investors, pursuant to which the company issued to the investors 429,764 ordinary shares at $16.00 per share, of which 85,216, 39,784 and 31,250 ordinary shares were issued to Pontifax IL, Pontifax CM and Shirat HaChaim, respectively.

On September 18, 2014, we entered into the 2014 Share Purchase Agreement with Arkin, Pontifax IL, Pontifax CM, Shirat HaChaim and other investors, pursuant to which the company issued to the investors 455,183 shares of Series A preferred shares at $19.00 per share and 227,592 warrants exercisable to shares of Series A-1 preferred shares at $25.00 per share, of which 236,842, 53,820, 25,126 and 26,316 shares and 118,422, 26,910, 12,564 and 13,158 warrants were issued to Arkin, Pontifax IL, Pontifax CM and Shirat HaChaim, respectively.

On October 1, 2015, we entered into the 2015 Share Purchase Agreement with ProQuest, Arkin, Pontifax IL, Pontifax CM, Shirat HaChaim, Bellco and other investors, pursuant to which the company issued to the investors 951,774 shares of Series A preferred shares at $19.00 per share, of which 263,158, 184,211, 121,994, 56,954, 52,632 and 26,316 shares were issued to ProQuest, Arkin, Pontifax IL, Pontifax CM, Shirat HaChaim and Bellco, respectively.

Lease agreement

Our U.S. subsidiary, UroGen Pharma, Inc., entered into a lease agreement, dated as of November 2015 and commencing as of May 2016, for office space in New York, which serves as the headquarters for our U.S. subsidiary. Our U.S. subsidiary shares the office space equitably with Kite Pharma, Inc., a Delaware corporation, who is a co-signatory to such lease agreement. Arie Belldegrun, M.D., our chairman, serves as the Chairman and Chief Executive Officer of Kite Pharma.

Directed Share Program

At our request, the underwriters have reserved ordinary shares, or % of the shares being offered by this prospectus (excluding the ordinary shares that may be issued upon the underwriters’ exercise of their option to purchase additional shares), for sale at the initial public offering price to certain eligible directors, officers and employees and persons having business or other relationships with us and related persons through a directed share program. The number of our ordinary shares available for sale to the general public in the public offering will be reduced by the number of shares these individuals purchase. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. Each person buying shares through the directed share program will be subject to a 180-day lock-up period with respect to these shares. We have agreed to indemnify the underwriters conducting the directed share program against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the directed share program.

Indemnification agreements

Our amended and restated articles of association permit us to exculpate, indemnify and insure each of our directors and office holders to the fullest extent permitted by the Israeli Companies Law. Immediately prior to the closing of this offering, we intend to enter into indemnification agreements with each of our directors and executive officers, undertaking to indemnify them to the fullest extent permitted by Israeli law, including with respect to liabilities resulting from a public offering of our shares, to the extent that these liabilities are not covered by insurance. We have also obtained Directors and Officers insurance for each of our executive officers and directors. For further information, see “Management—Exculpation, Insurance and Indemnification of Directors and Officers.”

Other Relationships

Family members of Chaim Hurvitz beneficially own more than 10% of Pontifax IL and Pontifax CM.

DESCRIPTION OF SHARE CAPITAL

The following descriptions of our share capital and provisions of our amended and restated articles of association which will be effective upon the closing of this offering are summaries and do not purport to be complete. A form of our amended and restated articles of incorporation will be filed with the SEC as an exhibit to our registration statement, of which this prospectus forms a part. The description of the ordinary shares reflects changes to our capital structure that will occur immediately prior to the closing of this offering.

General

Upon the closing of this offering, our authorized share capital will consist of ordinary shares, par value NIS 0.01 per share, of which shares will be issued and outstanding (assuming that the underwriters do not exercise their option to purchase additional ordinary shares).

All of our outstanding ordinary shares are validly issued, fully paid and non-assessable. Our ordinary shares are not redeemable and do not have any preemptive rights.

All ordinary shares will have identical voting and other rights in all respects.

Registration Number and Purpose of the Company

Our registration number with the Israeli Registrar of Companies is 513537621. Our purpose as set forth in our amended and restated articles of association is to engage in any lawful activity. Following the completion of this offering and the resulting registration of our shares for trading, our registration number is expected to change to reflect our becoming a public company.

Conversion of Preferred Shares

Upon the closing of this offering, all of our preferred shares outstanding will automatically convert into ordinary shares, and will have no further preferences, privileges or priority rights of any kind.

Transfer of Shares

Our fully paid ordinary shares are issued in registered form and may be freely transferred under our amended and restated articles of association, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of a stock exchange on which the shares are listed for trade. The ownership or voting of our ordinary shares by non-residents of Israel is not restricted in any way by our amended and restated articles of association or the laws of the State of Israel, except for ownership by nationals of some countries that are, or have been, in a state of war with Israel.

Election of Directors

Our ordinary shares do not have cumulative voting rights for the election of directors. As a result, the holders of a majority of the voting power represented at a meeting of shareholders have the power to elect all of our directors.

Under our amended and restated articles of association to be effective upon the closing of this offering, our board of directors must consist of at least five and not more than nine directors. Our board of directors will consist of six directors upon the closing of this offering. We intend to appoint an additional director to our board following the completion of this offering who would be independent under NASDAQ Rules.

Pursuant to our amended and restated articles of association, each of our directors, will be appointed by a simple majority vote of holders of our ordinary shares, participating and voting at an annual general meeting of our shareholders. Each director will serve until the next annual general meeting following his or her election and his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal by a vote of the majority of the aggregate voting power of our company at a general meeting of our shareholders or until his or her office expires by operation of law. In addition, our amended and restated articles of association allow our board of directors to appoint directors to fill vacancies on the board of directors, including filling empty board seats up to the

maximum number of directors permitted under our articles of association, to serve until the next annual general meeting of shareholders. Our amended and restated articles of association do not have a retirement age requirement for our directors.

Dividend and Liquidation Rights

We may declare a dividend to be paid to the holders of our ordinary shares in proportion to their respective shareholdings. Under the Israeli Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company's articles of association provide otherwise. Our amended and restated articles of association do not require shareholder approval of a dividend distribution and provide that dividend distributions may be determined by our board of directors.

Pursuant to the Israeli Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to our then last reviewed or audited financial statements, provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If we do not meet such criteria, then we may distribute dividends only with court approval. In each case, we are only permitted to distribute a dividend if our board of directors and the court, if applicable, determines that there is no reasonable concern that payment of the dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of our liquidation, after satisfaction of liabilities to creditors, our assets will be distributed to the holders of our ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, or have been, in a state of war with Israel.

Shareholder Meetings

Under Israeli law, we are required to hold an annual general meeting of our shareholders once every calendar year that must be held no later than 15 months after the date of the previous annual general meeting. All meetings other than the annual general meeting of shareholders are referred to in our amended and restated articles of association as extraordinary meetings. Our board of directors may call extraordinary meetings whenever it sees fit, at such time and place, within or outside of Israel, as it may determine. In addition, the Israeli Companies Law provides that our board of directors is required to convene an extraordinary meeting upon the written request of (i) any two or more of our directors or one-quarter or more of the members of our board of directors, or (ii) one or more shareholders holding, in the aggregate, either (a) 5% or more of our outstanding issued shares and 1% of our outstanding voting power, or (b) 5% or more of our outstanding voting power.

Subject to the provisions of the Israeli Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings are the shareholders of record on a date to be decided by the board of directors, which may be between four and 40 days prior to the date of the meeting. Furthermore, the Israeli Companies Law requires that resolutions regarding the following matters must be passed at a general meeting of our shareholders:

- amendments to our articles of association;
- appointment or termination of our auditors;
- appointment of external directors (if applicable);
- approval of certain related party transactions;
- increases or reductions of our authorized share capital;
- a merger; and

- the exercise of our board of director's powers by a general meeting, if our board of directors is unable to exercise its powers and the exercise of any of its powers is required for our proper management.

The Israeli Companies Law requires that a notice of any annual general meeting or extraordinary meeting be provided to shareholders at least 21 days prior to the meeting and if the agenda of the meeting includes the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, or an approval of a merger, notice must be provided at least 35 days prior to the meeting.

Under the Israeli Companies Law shareholders are not permitted to take action by way of written consent in lieu of a meeting.

Under Israeli Companies Law, whenever we cannot convene or conduct a general meeting in the manner prescribed under the law or our articles of association, the court may, upon our, shareholders' or directors' request, order that we convene and conduct a general meeting in the manner the court deems appropriate.

Voting Rights

Quorum Requirements

Pursuant to our amended and restated articles of association, holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote before the shareholders at a general meeting. As a foreign private issuer, the quorum required for our general meetings of shareholders consists of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Israeli Companies Law who hold or represent between them at least 33 1/3% of the total outstanding voting rights. A meeting adjourned for lack of a quorum is generally adjourned to the same day in the following week at the same time and place or to a later time or date if so specified in the notice of the meeting. At the reconvened meeting, any two or more shareholders present in person or by proxy shall constitute a lawful quorum.

Vote Requirements

Our amended and restated articles of association provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required by the Israeli Companies Law or by our amended and restated articles of association. Under the Israeli Companies Law, each of (i) the approval of an extraordinary transaction with a controlling shareholder, and (ii) the terms of employment or other engagement of the controlling shareholder of the company or such controlling shareholder's relative (even if such terms are not extraordinary) requires the approval described above under "Management—Approval of Related Party Transactions under Israeli Law—Fiduciary Duties of Directors and Executive Officers—Disclosure of Personal Interests of Controlling Shareholders and Approval of Certain Transactions." Additionally, (i) the approval and extension of a compensation policy and certain deviations therefrom require the approvals described above under "Management—Compensation Committee—Israeli Companies Law Requirements," and (ii) the terms of employment or other engagement of the chief executive officer of the company require the approvals described above under "Management —Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions." Under our amended and restated articles of association, (i) the removal of a director from office requires the adoption of a resolution at a general meeting of shareholders by a majority of the aggregate voting rights of our company; and (ii) the alteration of the rights, privileges, preferences or obligations of any class of our shares requires a simple majority of the class so affected (or such other percentage of the relevant class that may be set forth in the governing documents relevant to such class), in addition to the ordinary majority vote of all classes of shares voting together as a single class at a shareholder meeting.

Further exceptions to the simple majority vote requirement are a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganization, of the company pursuant to Section 350 of the Israeli Companies Law, that governs the settlement of debts and reorganization of a company, which requires the approval of holders of 75% of the voting rights represented at the meeting and voting on the resolution.

Access to Corporate Records

Under the Israeli Companies Law, shareholders are provided access to: minutes of our general meetings; our shareholders register and principal shareholders register, articles of association and annual audited financial statements; and any document that we are required by law to file publicly with the Israeli Companies Registrar or the Israel Securities Authority. In addition, shareholders may request to be provided with any document related to an

action or transaction requiring shareholder approval under the related party transaction provisions of the Israeli Companies Law. We may deny this request if we believe it has not been made in good faith or if such denial is necessary to protect our interest or protect a trade secret or patent.

Modification of Class Rights

Under the Israeli Companies Law and our amended and restated articles of association, the rights attached to any class of shares, such as voting, liquidation and dividend rights, may be amended by adoption of a resolution by the holders of a majority of the shares of that class present at a separate class meeting, or otherwise in accordance with the rights attached to such class of shares, as set forth in our amended and restated articles of association.

Registration Rights

We have entered into the Registration Rights Agreement with certain of our shareholders as part of the 2014 Share Purchase Agreement. Upon the closing of this offering, holders of a total of of our ordinary shares will have the right to require us to register these shares under the Securities Act under specified circumstances and will have incidental registration rights as described below. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act.

Demand Registration Rights

If at any time after 180 days after the effective date of this registration statement, we receive a request from holders of at least 30% of the registrable securities then outstanding that we file a Form F-1 registration statement with respect to registrable securities then outstanding having an anticipated aggregate offering price of at least $5.0 million, then we shall (a) within 10 days after the date such request is given, give demand notice to all holders other than the initiating holders; and (b) as soon as practicable, and in any event within 60 days after the date such request is given by the initiating holders, file a Form F-1 registration statement under the Securities Act covering all registrable securities that the initiating holders requested to be registered and any additional registrable securities requested to be included in such registration by any other holders, as specified by notice given by each such holder to us within 20 days of the date the demand notice is given.

We will not be obligated to file a registration statement at such time if in the good faith judgment of our board of directors, such registration would be materially detrimental to the us and our shareholders, because such action would (a) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving us; (b) require premature disclosure of material information that we have a bona fide business purpose for preserving as confidential; or (c) render us unable to comply with requirements under the Securities Act or Exchange Act. In such event we may defer the requested filing for a period of not more than 60 days. We may not invoke this right more than once in any 12-month period and, during such 60 day period, we shall not register any securities for our own account or that of any other shareholder other than “Excluded Registration”: (i) a registration relating to the sale of securities to our or a subsidiary’s employees pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the registrable securities; or (iv) a registration in which the only ordinary shares being registered are ordinary shares issuable upon conversion of debt securities that are also being registered.

In addition we shall not be obligated to effect, or to take any action to effect, any demand registration (a) during the period that is 60 days before our good faith estimate of the date of filing of, and ending on a date that is 180 days after the effective date of, our initiated registration, provided that we are actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (b) after we have effected two demand registrations; or (c) if the initiating holders propose to dispose of shares of registrable securities that may be immediately registered on Form F-3.

Form F-3 Registration Rights

If at any time when we are eligible to use a Form F-3 registration statement, we receive a request from holders of the registrable securities then outstanding that we file a Form F-3 registration statement with respect to outstanding registrable securities of such holders having an anticipated aggregate offering price of at least $3.0 million, then we shall (a) within 10 days after the date such request is given, give a demand notice to all holders other than the

initiating holders; and (b) as soon as practicable, and in any event within 45 days after the date such request is given by the initiating holders, file a Form F-3 registration statement under the Securities Act covering all registrable securities requested to be included in such registration by any other holders, as specified by notice given by each such holder to us within 20 days of the date the demand notice is given.

We shall not be obligated to effect, or to take any action to effect, any Form F-3 registration (a) during the period that is 30 days before our good faith estimate of the date of filing of, and ending on a date that is 90 days after the effective date of, our initiated registration, provided, that we are actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (b) if we have effected two Form F-3 demand registrations within the 12-month period immediately preceding the date of such request. A Form F-3 registration shall not be counted as "effected" until such time as the applicable registration statement has been declared effective by the SEC, unless the initiating holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement, in which case such withdrawn registration statement shall be counted as "effected."

Piggyback Registration Rights

In addition, if we propose to register (including, for this purpose, a registration effected by us for shareholders other than the holders) any of our securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), we shall, at such time, promptly give each holder notice of such registration. Upon the request of each holder given within 20 days after such notice is given by us, we shall, subject to underwriter requirements, cause to be registered all of the registrable securities that each such holder has requested to be included in such registration. We shall have the right to terminate or withdraw any registration initiated by us before the effectiveness of such registration, whether or not any holder has elected to include registrable securities in such registration. The expenses of such withdrawn registration shall be borne by us. Any piggyback registration rights with respect to this offering have been waived.

Other Provisions

We will pay all registration expenses (other than underwriting discounts and selling commissions) and the reasonable fees and expenses of a single counsel for the selling shareholders, related to any demand or piggyback registration. The demand, Form F-3 and piggyback registration rights described above will expire with respect to each holder of registrable securities upon such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such holder's shares without limitation during a three-month period without registration.

Termination of Registration Rights

No holder shall be entitled to exercise any registration rights after, and all such rights shall terminate upon the earlier to occur of (a) (i) any dissolution or liquidation of us; (ii) any bankruptcy or insolvency proceeding under any bankruptcy or insolvency or similar law, whether voluntary or involuntary, is properly commenced by or against us; and (iii) a receiver or liquidator has been appointed to all or substantially all of our assets, and (b) the fifth anniversary of the completion of this offering.

In addition, the registration rights shall terminate as to any shares of registrable securities when such shares have been (i) registered under the Securities Act pursuant to an effective registration statement filed thereunder and disposed of in accordance with the registration statement covering them, or (ii) publicly sold pursuant to Rule 144.

Acquisitions under Israeli Law

Full Tender Offer

A person wishing to acquire shares of an Israeli public company and who would as a result hold over 90% of the target company's issued and outstanding share capital is required by the Israeli Companies Law to make a tender offer to all of the company's shareholders for the purchase of all of the issued and outstanding shares of the company. A person wishing to acquire shares of a public Israeli company and who would as a result hold over 90% of the issued and outstanding share capital of a certain class of shares is required to make a tender offer to all of the shareholders who hold shares of the relevant class for the purchase of all of the issued and outstanding shares of that class. If the shareholders who do not accept the offer hold less than 5% of the issued and outstanding share capital of the company or of the applicable class, and more than half of the shareholders who do not have a personal interest in the offer accept the offer, all of the shares that the acquirer offered to purchase will be transferred to the

acquirer by operation of law. However, a tender offer will also be accepted if the shareholders who do not accept the offer hold less than 2% of the issued and outstanding share capital of the company or of the applicable class of shares.

Upon a successful completion of such a full tender offer, any shareholder that was an offeree in such tender offer, whether such shareholder accepted the tender offer or not, may, within six months from the date of acceptance of the tender offer, petition an Israeli court to determine whether the tender offer was for less than fair value and that the fair value should be paid as determined by the court. However, under certain conditions, the offeror may include in the terms of the tender offer that an offeree who accepted the offer will not be entitled to petition the Israeli court as described above.

If (i) the shareholders who did not respond or accept the tender offer hold at least 5% of the issued and outstanding share capital of the company or of the applicable class or the shareholders who accept the offer constitute less than a majority of the offerees that do not have a personal interest in the acceptance of the tender offer, or (ii) the shareholders who did not accept the tender offer hold 2% or more of the issued and outstanding share capital of the company (or of the applicable class), the acquirer may not acquire shares from shareholders who accepted the tender offer that will increase its holdings to more than 90% of the company's issued and outstanding share capital or of the applicable class.

Special Tender Offer

The Israeli Companies Law provides that, subject to certain exceptions, an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of 25% or more of the voting rights in the company. This requirement does not apply if there is already another holder of at least 25% of the voting rights in the company. Similarly, the Israeli Companies Law provides that, subject to certain exceptions, an acquisition of shares in a public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company.

A special tender offer must be extended to all shareholders of a company. A special tender offer may be consummated only if (i) the offeror acquired shares representing at least 5% of the voting power in the company and (ii) the number of shares tendered by shareholders who accept the offer exceeds the number of shares held by shareholders who object to the offer (excluding the offeror, controlling shareholders, holders of 25% or more of the voting rights in the company or any person having a personal interest in the acceptance of the tender offer or any of their relatives or any entity controlled by them). If a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer. Shares purchased in contradiction to the tender offer rules under the Israeli Companies Law, will have no rights and will become dormant shares.

Merger

The Israeli Companies Law permits merger transactions if approved by each party's board of directors and, unless certain requirements described under the Israeli Companies Law are met, by a majority vote of each party's shareholders. In the case of the target company, approval of the merger further requires a majority vote of each class of its shares.

For purposes of the shareholder vote, unless a court rules otherwise, the merger will not be deemed approved if a majority of the votes of shares represented at the meeting of shareholders that are held by parties other than the other party to the merger, or by any person (or group of persons acting in concert) who holds (or hold, as the case may be) 25% or more of the voting rights or the right to appoint 25% or more of the directors of the other party, vote against the merger. If, however, the merger involves a merger with a company's own controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same Special Majority approval that governs all extraordinary transactions with controlling shareholders (as described under

"Management—Approval of Related Party Transactions under Israeli Law—Disclosure of Personal Interests of Controlling Shareholders and Approval of Certain Transactions").

If the transaction would have been approved by the shareholders of a merging company but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the petition of holders of at least 25% of the voting rights of a company. For such petition to be granted, the court must find that the merger is fair and reasonable, taking into account the respective values assigned to each of the parties to the merger and the consideration offered to the shareholders of the target company.

Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the merging entities, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be consummated unless at least 50 days have passed from the date on which a proposal for approval of the merger is filed with the Israeli Registrar of Companies and at least 30 days have passed from the date on which the merger was approved by the shareholders of each party.

Anti-Takeover Measures under Israeli Law

The Israeli Companies Law allows us to create and issue shares having rights different from those attached to our ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having preemptive rights. As of the closing of this offering, no preferred shares will be authorized under our amended and restated articles of association. In the future, if we do authorize, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of their ordinary shares. The authorization and designation of a class of preferred shares will require an amendment to our amended and restated articles of association, which requires the prior approval of the holders of a majority of the voting power attaching to our issued and outstanding shares and voting at a general meeting. The convening of the meeting, the shareholders entitled to participate and the majority vote required to be obtained at such a meeting will be subject to the requirements set forth in the Israeli Companies Law as described above in "-Voting Rights."

Borrowing Powers

Pursuant to the Israeli Companies Law and our amended and restated articles of association, our board of directors may exercise all powers and take all actions that are not required under law or under our amended and restated articles of association to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

Changes in Capital

Our amended and restated articles of association enable us to increase or reduce our share capital. Any such changes are subject to the provisions of the Israeli Companies Law and must be approved by a resolution duly passed by our shareholders at a general meeting by voting on such change in the capital. In addition, transactions that have the effect of reducing capital, such as the declaration and payment of dividends in the absence of sufficient retained earnings or profits, require the approval of both our board of directors and an Israeli court.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares is Computershare Trust Company, N.A. Its address is 250 Royall Street, Canton, MA 02021.

Listing

We have applied to have our ordinary shares listed on the NASDAQ Global Market under the symbol "URGN."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed for our ordinary shares. Sales of substantial amounts of our ordinary shares following this offering, or the perception that these sales could occur, could adversely affect prevailing market prices of our ordinary shares and could impair our future ability to obtain capital, especially through an offering of equity securities. Assuming that the underwriters do not exercise in full their option to purchase additional ordinary shares with respect to this offering and assuming no exercise of options outstanding following this offering, we will have an aggregate of ordinary shares outstanding upon the closing of this offering. Of these shares, the ordinary shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" (as that term is defined under Rule 144 of the Securities Act, or Rule 144), who may sell only the volume of shares described below and whose sales would be subject to additional restrictions described below.

The remaining ordinary shares will be held by our existing shareholders and will be deemed to be "restricted securities" under Rule 144. Subject to certain contractual restrictions, including the lock-up agreements described below, restricted securities may only be sold in the public market pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under Rule 144, Rule 701 or Rule 904 under the Securities Act. These rules are summarized below. Sales of these shares in the public market after the restrictions under the lock-up agreements lapse, or the perception that those sales may occur, could cause the prevailing market price of our ordinary shares to decrease or to be lower than it might be in the absence of those sales or perceptions.

Eligibility of Restricted Shares for Sale in the Public Market

The following indicates approximately when the ordinary shares that are not being sold in this offering, but which will be outstanding at the time at which this offering is complete, will be eligible for sale into the public market under the provisions of Rule 144 and Rule 701 (but subject to the further contractual restrictions arising under the lock-up agreements described below):

- upon the closing of this offering, ordinary shares held by non-affiliates of our company that have been held for at least one year will be available for resale under Rule 144(b)(1)(ii);
- beginning 90 days after the closing of this offering, up to approximately ordinary shares, constituting shares issuable upon exercise of outstanding options under our 2010 Israeli Share Option Plan that have vested as of, or within 60 days of , 2017, may be eligible for resale under Rule 701 and Rule 144, of which approximately are held by our affiliates and would therefore be subject to the volume, current public information, manner of sale and other limitations under Rule 144; and
- approximately ordinary shares will be eligible for resale pursuant to Rule 144 upon the expiration of various six month holding periods, so long as at least 90 days have elapsed after the closing of this offering, and subject to the current public information requirement under Rule 144 and, in the case of affiliates of our company, such eligibility will also be subject to the volume, manner of sale and other limitations under Rule 144.

Lock-Up Agreements

We, all of our directors and executive officers and holders of substantially all of our outstanding shares and our shares issuable upon the exercise of vested options have signed lock-up agreements. Pursuant to such lock-up agreements, such persons have agreed, subject to certain exceptions, not to sell or otherwise dispose of ordinary shares or any securities convertible into or exchangeable for ordinary shares for a period of 180 days after the date of this prospectus without the prior written consent of Jefferies LLC and Cowen and Company, LLC. Jefferies LLC and Cowen and Company, LLC may, in their sole discretion, at any time without prior notice, release all or any portion of the ordinary shares from the restrictions in any such agreement. Additionally, each person buying shares through the directed share program will be subject to a 180-day lock-up period with respect to these shares.

Rule 144

Shares Held for Six Months

In general, under Rule 144 as currently in effect, and subject to the terms of any lock-up agreement, commencing 90 days after the closing of this offering, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned our ordinary shares for six months or more, including the holding period of any prior owner other than one of our affiliates (i.e., commencing when the shares were acquired from our company or from an affiliate of our company as restricted securities), is entitled to sell our shares, subject to the availability of current public information about us. In the case of an affiliate shareholder, the right to sell is also subject to the fulfillment of certain additional conditions, including manner of sale provisions and notice requirements, and to a volume limitation that limits the number of shares to be sold thereby, within any three-month period, to the greater of:

- 1% of the number of ordinary shares then outstanding; or
- the average weekly trading volume of our ordinary shares on the NASDAQ Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

The six month holding period of Rule 144 does not apply to sales of unrestricted securities. Accordingly, persons who hold unrestricted securities may sell them under the requirements of Rule 144 described above without regard to the six-month holding period, even if they were considered our affiliates at the time of the sale or at any time during the ninety days preceding such date.

Shares Held by Non-Affiliates for One Year

Under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who is not considered to have been one of our affiliates at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than one of our affiliates, is entitled to sell his, her or its shares under Rule 144 without complying with the provisions relating to the availability of current public information or with any other conditions under Rule 144. Therefore, unless subject to a lock-up agreement or otherwise restricted, such shares may be sold immediately upon the closing of this offering.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who received or purchased ordinary shares from us under our 2010 Israeli Share Option Plan or other written agreement before the closing of this offering is entitled to resell these shares.

The SEC has indicated that Rule 701 will apply to typical share options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of these options, including exercises after the closing of this offering. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above (see “Lock-Up Agreements”), may be sold beginning 90 days after the closing of this offering in reliance on Rule 144 by:

- persons other than affiliates, without restriction; and
- affiliates, subject to the manner-of-sale, current public information and filing requirements of Rule 144, in each case, without compliance with the six-month holding period requirement of Rule 144.

Options

As of December 31, 2016, options to purchase a total of 832,859 ordinary shares were issued and outstanding, whether under our 2010 Israeli Share Option Plan or otherwise. Such number excludes 9,000 ordinary shares issuable upon the vesting of restricted share units, the grant of which is contingent upon the closing of this offering and 3,000 ordinary shares issuable upon exercise of options, the grant of which is contingent upon the closing of this offering. Of the total number of issued and outstanding options, will be vested upon the closing of this offering. See “Management—2010 Israeli Share Option Plan.” All of our ordinary shares issuable under these options or restricted share units are subject to contractual lock-up agreements with us or the underwriters.

Form S-8 Registration Statement

Following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register up to ordinary shares, in the aggregate, issued or reserved for issuance under the 2010 Israeli Share Option Plan. The registration statement on Form S-8 will become effective automatically upon filing.

Ordinary shares issued upon exercise of a share option and registered pursuant to the Form S-8 registration statement will, subject to vesting provisions and Rule 144 volume limitations applicable to our affiliates, be available for sale in the open market immediately unless they are subject to the 180 day lock-up period or, if subject to the lock-up, immediately after the 180 day lock-up period expires. See “Management—2010 Israeli Share Option Plan.”

Registration Rights

Following the closing of this offering, holders of a total of ordinary shares will have the right to require us to register these shares under the Securities Act under specified circumstances and will have incidental registration rights. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act. For more information on these registration rights, see “Description of Share Capital—Registration Rights.”

TAXATION

The following description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our ordinary shares. You should consult your own tax advisor concerning the tax consequences in your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

Israeli Tax Considerations and Government Programs

The following is a brief summary of the material Israeli tax laws applicable to us. This section also contains a discussion of material Israeli tax consequences concerning the ownership and disposition of our ordinary shares purchased by investors in this offering. This summary does not discuss certain tax benefits, including under the Law for Encouragement of Capital Investments, 5719-1959, to which we may become eligible in the future if we establish a manufacturing facility for our products in Israel. This summary also does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of such investors include residents of Israel or traders in securities who are subject to special tax regimes not covered in this discussion. Because parts of this discussion are based on new tax legislation that has not yet been subject to judicial or administrative interpretation, the appropriate tax authorities or the courts may not accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below.

General Corporate Tax Structure in Israel

Israeli companies are generally subject to corporate tax, currently at the rate of 24% of a company's taxable income (to be reduced to 23% in 2018 and thereafter). In addition, capital gains realized by Israeli companies are subject to tax at the regular corporate tax rate.

Taxation of our Shareholders

Capital gains taxes applicable to non-Israeli resident shareholders. Capital gain is generally subject to tax at the corporate tax rate of 24% in 2017 (to be reduced to 23% in 2018 and thereafter) if generated by a company, or at the rate of 25% if generated by an individual, or 30% in the case of sale of shares by a substantial shareholder at the time of sale or at any time during the preceding 12-month period. A person is considered to be a substantial shareholder if it holds, directly or indirectly, alone or together with another affiliated party, 10% or more of a company's means of control, which include, among other things, voting rights, the right to receive profits of the company, the right to receive proceeds upon liquidation and the right to appoint a director.

Notwithstanding the foregoing, a non-Israeli resident who derives capital gains from the sale of our shares that were purchased after the shares were listed for trading on the NASDAQ is exempt from Israeli tax on such capital gains so long as they were not attributable to a permanent establishment that the non-resident maintains in Israel. In the case of a shareholder that is a corporation, in order for it to qualify as a non-Israeli resident for these purposes, it must be incorporated in, as well as managed and controlled from, a jurisdiction other than the State of Israel, and persons who are Israeli residents may not either: (i) have a controlling interest (directly or indirectly, alone or together with another, or together with another Israeli resident) exceeding 25% in one or more of the means of control in such corporation or (ii) be the beneficiaries of, or entitled to, 25% or more of the revenues or profits of such corporation, whether directly or indirectly. Such exemption is not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be business income.

Additionally, a sale of shares by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty.

Shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding at source at the time of sale. In transactions involving a sale of all of the shares of an Israeli resident company, such as a merger or other transaction, the Israel Tax Authority may, among other things, require from shareholders who are not liable for Israeli tax the execution of a declaration in the form specified by that authority or

a specific exemption from the Israeli Tax Authority to confirm their status as non-Israeli residents may be required to be presented, and, in the absence of such declaration or exemption, may require the purchaser of the shares to withhold taxes.

In addition, with respect to mergers involving an exchange of shares, Israeli tax law allows for tax deferral in certain circumstances, but makes the deferral contingent on the fulfillment of a number of conditions, including, in some cases, a holding period of two years from the date of the transaction during which sales and dispositions of shares of the participating companies are subject to certain restrictions. Moreover, with respect to certain share swap transactions in which the sellers receive shares in the acquiring entity that are publicly traded on a stock exchange, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of such shares has occurred.

Taxation of non-Israeli shareholders on receipt of dividends. Non-Israeli residents are generally subject to Israeli withholding tax on the receipt of dividends paid on our ordinary shares at the rate of 25%, unless relief is provided in a treaty between Israel and the shareholder's country of residence (subject to the receipt of a valid certificate from the Israel Tax Authority, allowing for such reduced withholding tax rate). With respect to a person who is considered a substantial shareholder at the time of receiving the dividend or at any time during the preceding 12 months, subject to the terms of an applicable tax treaty, the applicable withholding tax rate is 30%.

Under the Convention between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income, or the U.S.-Israel Tax Treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our ordinary shares who is a U.S. resident (for the purposes of the U.S.-Israel Tax Treaty) is 25%. However, with regard to dividends paid to a U.S. resident corporation which held 10% or more of our outstanding voting rights throughout the taxable year in which the dividend was distributed and which maintained its shareholdings at or above such threshold during the entire previous taxable year, the maximum rate of withholding tax is generally 12.5%, provided that no more than 25% of our gross income for such preceding year consists of certain types of dividends and interest.

U.S. residents who are subject to Israeli withholding tax on a dividend may be entitled to a credit or deduction for U.S. federal income tax purposes in the amount of the taxes withheld, subject to detailed limitations under U.S. laws applicable to foreign tax credits.

Excess Tax. Individuals who are subject to tax in Israel, whether an Israeli resident or a non-Israeli resident, are also subject to an additional tax on annual income exceeding NIS 640,000 in 2017 and thereafter (linked to the Israeli consumer price index) at a rate of 3%, including, but not limited to, dividends, interest and capital gain, subject to the provisions of an applicable tax treaty.

Material U.S. Federal Income Tax Consequences to U.S. Holders

The following discussion describes the material U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in our ordinary shares. The effects of any applicable state or local laws, or other U.S. federal tax laws such as estate and gift tax laws are not discussed. This summary applies only to investors who hold the ordinary shares as capital assets (generally, property held for investment) and who have the U.S. dollar as their functional currency. This discussion is based on the Code, U.S. Treasury regulations promulgated thereunder, judicial decisions, published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, and the U.S.-Israel Tax Treaty, all as in effect as of the date of this offering. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances or to holders subject to particular rules, including:

- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our ordinary shares as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment for U.S. federal income tax purposes;

- banks, insurance companies, and other financial institutions;
- real estate investment trusts and regulated investment companies;
- brokers, dealers, and traders in securities, commodities or currencies;
- partnerships, S corporations, and other entities or arrangements treated as partnerships for U.S. federal income tax purposes;
- tax-exempt organizations and governmental organizations;
- persons who acquired our ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation;
- persons that own or are deemed to own 10% or more of our voting stock;
- persons that hold their shares through a permanent establishment or fixed base outside the United States; and
- persons deemed to sell our ordinary shares under the constructive sale provisions of the Code.

U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE U.S. STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE ORDINARY SHARES.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our ordinary shares that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation, or entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, 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 that (1) is subject to the supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

If you are a partner in a partnership (or other entity taxable as a partnership for U.S. federal income tax purposes) that holds our ordinary shares, your tax treatment generally will depend on your status and the activities of the partnership. Partnerships holding our ordinary shares and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences applicable to them.

As indicated below, this entire discussion is subject to the discussion of the U.S. federal income tax rules applicable to a "passive foreign investment company," or a PFIC.

Passive Foreign Investment Company Considerations

If we are classified as a PFIC in any taxable year, a U.S. Holder would be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation is classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules with respect to the income and assets of subsidiaries, either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average quarterly value of its total gross assets (which, assuming we are not a CFC for the year being tested, would be measured by fair market value of the assets, and for which purpose the total value of our assets may be determined in part by the market value of our ordinary shares, which is subject to change) is attributable to assets that produce "passive income" or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income, and generally includes amounts derived by reason of the temporary investment of funds raised in offerings of our ordinary shares. If a non-U.S. corporation owns directly or indirectly at least 25% by value of the stock of another

corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income. If we are classified as a PFIC in any year with respect to which a U.S. Holder owns our ordinary shares, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns our ordinary shares, regardless of whether we continue to meet the tests described above unless the holder makes a so-called "purging election" with respect to our ordinary shares. **U.S. Holders should consult with their tax advisors regarding the availability and consequences of any PFIC purging elections.**

We must determine our PFIC status annually based on tests which are factual in nature, and our status will depend on our income, assets and activities each year. In addition, our status as a PFIC may depend on how quickly we use the cash proceeds from this offering in our business. Based upon the expected value of our assets, including any goodwill, and the expected nature and composition of our income and assets, we presently do not anticipate that we will be classified as a PFIC for the taxable year ending December 31, 2017. However, it is not certain that the nature and composition of our income and assets will be as we currently expect, or that we will receive milestone payments in 2017 pursuant to the Allergan Agreement in the amount currently anticipated. If we do not receive milestone payments as anticipated or other non-passive income, we likely will be classified as a PFIC for 2017. We cannot provide any assurances regarding our PFIC status for the current or future taxable years, and our U.S. tax counsel has not provided any opinion regarding our PFIC status.

If we are a PFIC, and you are a U.S. Holder, then unless you make one of the elections described below, a special tax regime will apply to both (a) any "excess distribution" by us to you (generally, your ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by you in the shorter of the three preceding years or your holding period for our ordinary shares) and (b) any gain realized on the sale or other disposition of the ordinary shares. Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over your holding period, (b) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would be subject to tax at the U.S. Holder's regular ordinary income rate for the current year and would not be subject to the interest charge discussed below), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, dividend distributions made to you will not qualify for the lower rates of taxation applicable to long-term capital gains discussed under "Taxation of Dividends and Other Distributions on our Ordinary Shares."

Certain elections exist that may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment (such as mark-to-market treatment) of our ordinary shares. If a U.S. Holder makes the mark-to-market election, then in lieu of being subject to the tax and interest change rules disclosed above, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the ordinary shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the ordinary shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of ordinary shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). The mark-to-market election is available only if we are a PFIC and our ordinary shares are "regularly traded" on a "qualified exchange." Our ordinary shares will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of the ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter (subject to the rule that trades that have as one of their principle purposes the meeting of the trading requirement are disregarded). The NASDAQ Global Market is a qualified exchange for this purpose and, consequently, if the ordinary shares are regularly traded, the mark-to-market election will be available to a U.S. Holder.

We do not currently intend to provide the information necessary for U.S. Holders to make QEF elections. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

If we are determined to be a PFIC, the general tax treatment for U.S. Holders described in this section would apply to indirect distributions and gains deemed to be realized by U.S. Holders in respect of any of our subsidiaries that also may be determined to be PFICs. A mark-to-market election cannot be made with respect to the stock of any of our subsidiaries.

Each U.S. Holder that is an investor of a PFIC is generally required to file an annual information return on IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) containing such information as the U.S. Treasury Department may require. The failure to file IRS Form 8621 could result in the imposition of penalties and the extension of the statute of limitations with respect to U.S. federal income tax. U.S. Holders should consult their tax advisors regarding whether we are a PFIC and the potential application of the PFIC rules.

Taxation of Dividends and Other Distributions on our Ordinary Shares

Subject to the discussion under "– Passive Foreign Investment Company Considerations," above, the gross amount of any distribution to you with respect to our ordinary shares will be included in your gross income as dividend income when actually or constructively received to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent the amount of the distribution exceeds our current and accumulated earnings and profits, it will be treated first as a return of your tax basis in our ordinary shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that the entire amount of any distribution will generally be reported as dividend income. Any dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

If we are not a PFIC for a given year in which a dividend is paid and the taxable year preceding the dividend, non-corporate U.S. Holders may qualify for the preferential rates of taxation with respect to dividends on ordinary shares applicable to long-term capital gains (i.e., gains from the sale of capital assets held for more than one year) applicable to qualified dividend income (as discussed below). We believe that we qualify as a resident of Israel for purposes of, and are eligible for the benefits of, the U.S.-Israel Tax Treaty, although there can be no assurance in this regard. Further, the IRS has determined that the U.S.-Israel Tax Treaty is satisfactory for purposes of the qualified dividend rules and that it includes an exchange-of-information program. Therefore, subject to the discussion under "—Passive Foreign Investment Company Considerations" above, if the U.S.-Israel Tax Treaty is applicable, such dividends will generally be "qualified dividend income" in the hands of individual U.S. Holders, provided that certain conditions are met, including holding period and the absence of certain risk reduction transaction requirements are met. The dividends will not be eligible for the dividends received deduction generally allowed to corporate U.S. Holders. As discussed in "Taxation—Israeli Tax Considerations," payments of dividends by us may be subject to Israeli withholding tax. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Israeli taxes withheld by us, and as then having paid over the withheld taxes to the Israeli taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from us with respect to the payment. Dividends will generally constitute foreign source income for foreign tax credit limitation purposes. Any tax withheld with respect to distributions on our ordinary shares at the rate applicable to a U.S. Holder may, subject to a number of complex limitations, be claimed as a foreign tax credit against such U.S. Holder's U.S. federal income tax liability or may be claimed as a deduction for U.S. federal income tax purposes. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to our ordinary shares generally will constitute "passive category income" or "general category income." The rules with respect to the foreign tax credit are complex and involve the application of rules that depend upon a U.S. Holder's particular circumstances. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Taxation of Disposition of the Ordinary Shares

Subject to the discussion above under "– Passive Foreign Investment Company Considerations," you will recognize gain or loss on any sale, exchange or other taxable disposition of an ordinary share equal to the difference between the amount realized on the disposition of the ordinary share and your adjusted tax basis in the ordinary share. The tax basis in an ordinary share generally will be the cost of such ordinary share. Any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if you have held the ordinary share for more than one year at the time of sale, exchange or other taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. Holders, including individuals, generally will be taxable at a reduced rate. The deductibility of capital losses is subject to limitations. Any such gain or loss you recognize generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Additional Medicare Tax

Certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their dividend income and net gains from the disposition of ordinary shares. Each U.S. Holder that is an individual, estate or trust is urged to consult its tax advisors regarding the applicability of the Medicare tax to its income and gains in respect of its investment in our ordinary shares.

Certain Reporting Requirements With Respect to Payments of Offer Price

U.S. Holders paying more than $100,000 for our shares will generally be required to file IRS Form 926 reporting such payment for our ordinary shares to us. Substantial penalties may be imposed upon a U.S. Holder that fails to comply. Each U.S. Holder should consult its own tax advisor as to the possible obligation to file IRS Form 926.

Information Reporting and Backup Withholding

U.S. backup withholding tax and information reporting requirements may apply to certain payments to certain holders of our ordinary shares. Information reporting will generally apply to payments of dividends on, and to proceeds from the sale or redemption of, our ordinary shares made within the United States, or by a U.S. payer or U.S. middleman, to a holder of our shares, other than an exempt recipient (including a payee that is not a U.S. person that provides an appropriate certification and certain other persons). Certain U.S. Holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and such holder:

- fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- furnishes an incorrect taxpayer identification number;
- is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Additional Reporting Requirements

Certain U.S. Holders who are individuals (and under proposed regulations, certain entities) are required to report information relating to an interest in our ordinary shares, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by financial institutions) by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. U.S. Holders should consult their tax advisors regarding the possible implications of these tax return disclosure obligations.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated , 2017, Jefferies LLC, 520 Madison Avenue, New York, New York 10022, and Cowen and Company, LLC, 599 Lexington Avenue, 27th Floor, New York, New York 10022, are serving as the representatives of the underwriters named below and the joint book-running managers for this offering. Pursuant to such agreement, 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 ordinary shares shown opposite its name below:

Underwriter	NUMBER OF ORDINARY SHARES
Jefferies LLC	
Cowen and Company, 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 ordinary shares if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting 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 ordinary shares 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 ordinary shares, that you will be able to sell any of the ordinary shares 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 ordinary shares subject to their acceptance of the ordinary shares 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 intend to confirm sales to any account over which they exercise discretionary authority.

Commission and Expenses

The underwriters have advised us that they propose to offer the ordinary shares 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 ordinary share. After the offering, the initial public offering price and concession 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 ordinary shares.

	PER ORDINARY SHARE		TOTAL	
	WITHOUT OPTION TO PURCHASE ADDITIONAL ORDINARY SHARES	WITH OPTION TO PURCHASE ADDITIONAL ORDINARY SHARES	WITHOUT OPTION TO PURCHASE ADDITIONAL ORDINARY SHARES	WITH OPTION TO PURCHASE ADDITIONAL ORDINARY SHARES
Public offering price	$	$	$	$
Underwriting discounts and commissions	$	$	$	$
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 $. We also have agreed to reimburse the underwriters for up to $ for certain expenses incurred in connection with this offering, including for their FINRA counsel fee. In accordance with FINRA Rule 5110, these reimbursed expenses are deemed underwriting compensation for this offering.

Determination of Offering Price

Prior to this offering, there has not been a public market for our ordinary shares. Consequently, the initial public offering price for our ordinary shares 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 ordinary shares will trade in the public market subsequent to the offering or that an active trading market for the ordinary shares will develop and continue after the offering.

Listing

We have applied to have our ordinary shares listed on the NASDAQ Global Market under the symbol "URGN."

Stamp Taxes

If you purchase ordinary shares offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus. However, no stamp taxes will be payable to the State of Israel in connection with the sale of shares offered hereby.

Option to Purchase Additional Ordinary 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 ordinary 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 ordinary 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 ordinary 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 share capital have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open “put equivalent position” within the meaning of Rule 16a-l(h) under the Exchange Act, or
- otherwise dispose of any share capital, options or warrants to acquire shares, or securities exchangeable or exercisable for or convertible into shares currently or hereafter owned either of record or beneficially, or
- publicly announce an 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 Jefferies LLC and Cowen and Company, LLC.

This restriction terminates after the close of trading of the ordinary shares on and including the 180th day after the date of this prospectus.

Jefferies LLC and Cowen and Company, LLC 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 shareholders 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, 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 ordinary shares 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 ordinary shares in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional ordinary shares or purchasing our ordinary shares in the open market. In determining the source of ordinary shares to close out the covered short position, the underwriters will consider, among other things, the price of ordinary shares available for purchase in the open market as compared to the price at which they may purchase ordinary shares through the option to purchase additional ordinary shares.

“Naked” short sales are sales in excess of the option to purchase additional ordinary shares. The underwriters must close out any naked short position by purchasing ordinary 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 our ordinary shares 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 ordinary shares on behalf of the underwriters for the purpose of fixing or maintaining the price of the ordinary shares. A syndicate covering transaction is the bid for or the purchase of ordinary shares 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 underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our ordinary shares or preventing or retarding a decline in the market price of our ordinary shares. As a result, the price of our ordinary shares 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 ordinary shares 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 ordinary shares. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

The underwriters may also engage in passive market making transactions in our ordinary shares on the NASDAQ Global Market in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of our ordinary shares in this offering and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites 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 ordinary shares 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 and/or endorsed by us or the underwriters and should not be relied upon by investors.

Directed Share Program

At our request, the underwriters have reserved ordinary shares, or % of the shares being offered by this prospectus (excluding the ordinary shares that may be issued upon the underwriters' exercise of their option to purchase additional shares), for sale at the initial public offering price to certain eligible directors, officers and employees and persons having business or other relationships with us and related persons through a directed share program. The number of our ordinary shares available for sale to the general public in the public offering will be reduced by the number of shares these individuals purchase. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. Except for certain participants who have entered into lock-up agreements as contemplated above, each person buying shares through the directed share program has agreed that, for a period of 180 days from and including the date of this prospectus, he or she will not, without the prior written consent of Jefferies LLC and Cowen and Company, LLC, dispose of or hedge any ordinary shares or any securities convertible into or exchangeable for ordinary shares with respect to shares purchased in the program. For those participants who have entered into lock-up agreements as contemplated above, the lock-up agreements contemplated therein shall govern with respect to their purchases of ordinary shares in the program. Jefferies LLC and Cowen and Company, LLC, in their sole discretion, may release any of the securities subject to these lock-up agreements at any time. We have agreed to indemnify the underwriters conducting the directed share program against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the directed share program.

Other Activities and Relationships

The underwriters and certain of their 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 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 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 and/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 ordinary shares offered hereby. Any such short positions could adversely affect future trading prices of

the ordinary shares offered hereby. The underwriters and certain of their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/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 and/or short positions in such securities and instruments.

Notice to Investors

Australia

This prospectus is not a disclosure document for the purposes of Australia's Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this prospectus in Australia:

You confirm and warrant that you are either:

- a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
- a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made; or
- a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor or professional investor under the Corporations Act any offer made to you under this prospectus is void and incapable of acceptance.

You warrant and agree that you will not offer any of the shares issued to you pursuant to this prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive, each referred to herein as a Relevant Member State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, referred to herein as the Relevant Implementation Date, no offer of any securities which are the subject of the offering contemplated by this prospectus has been or will be made to the public in that Relevant Member State other than any offer where a prospectus has been or will be published in relation to such securities that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the relevant competent authority in that Relevant Member State in accordance with the Prospectus Directive, except that with effect from and including the Relevant Implementation Date, an offer of such securities may be made to the public in that Relevant Member State:

- to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities shall require the company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any securities 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 the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, 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 amendments thereto, including Directive 2010/73/EU, the "2010 PD Amending Directive")), and includes any relevant implementing measure in the Relevant Member State.

Hong Kong

No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. No document, invitation or advertisement relating to the securities has been issued or 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 of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

This prospectus has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may not be issued, circulated or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities described in this prospectus and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

Japan

The offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended), or FIEL, and the underwriters will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means, unless otherwise provided herein, 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 FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus has not been and will not be lodged or registered with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or the invitation for subscription or purchase of the securities may not be issued, circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person as defined under Section 275(2), or any person pursuant to Section 275(1A) of the SFA, 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 securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor as defined under Section 4A of the SFA) 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
- 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 Offer Shares under Section 275 of the SFA except:

- to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a

consideration of not less than $200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA;

- where no consideration is given for the transfer; or
- where the transfer is by operation of law.

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, the company or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.

United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, referred to herein as the Order, and/or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated. Each such person is referred to herein as a Relevant Person.

This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this document or any of its contents.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this document is being distributed only to, and is directed only at, and any offer of the ordinary shares is directed only at, (i) a limited number of persons in accordance with section 15A of the Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals”, each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Canada

(A) Resale Restrictions

The distribution of ordinary shares in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the ordinary shares in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a

discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

(B) Representations of Canadian Purchasers

By purchasing ordinary shares in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the ordinary shares without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106—*Prospectus Exemptions*,
- the purchaser is a "permitted client" as defined in National Instrument 31-103—*Registration Requirements, Exemptions and Ongoing Registrant Obligations*,
- where required by law, the purchaser is purchasing as principal and not as agent, and
- the purchaser has reviewed the text above under Resale Restrictions.

(C) Conflicts of Interest

Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—*Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

(D) Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the prospectus (including any amendment thereto) such as this document contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

(E) Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

(F) Taxation and Eligibility for Investment

Canadian purchasers of ordinary shares should consult their own legal and tax advisors with respect to the tax consequences of an investment in the ordinary shares in their particular circumstances and about the eligibility of the ordinary shares for investment by the purchaser under relevant Canadian legislation.

EXPENSES OF THIS OFFERING

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by us in connection with the sale of our ordinary shares being registered. All amounts are estimates except for the SEC registration fee, the FINRA filing fee and the NASDAQ Global Market listing fee.

ITEM	AMOUNT TO BE PAID
SEC registration fee	5,795
FINRA filing fee	8,000
The NASDAQ Global Market listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

LEGAL MATTERS

The validity of the issuance of our ordinary shares offered in this prospectus and certain other matters of Israeli law will be passed upon for us by Hamburger Evron & Co., Tel Aviv, Israel. As of the date of this prospectus, Hamburger Evron & Co. beneficially owns an aggregate of 26,228 of our ordinary shares. Certain matters of U.S. law will be passed upon for us by Cooley LLP, New York, New York. Legal counsel to the underwriters are Gornitzky & Co., Tel Aviv, Israel, with respect to Israeli law, and Covington & Burling LLP, New York, New York, with respect to U.S. law.

EXPERTS

The financial statements as of December 31, 2016 and 2015 and for each of the two years in the period ended December 31, 2016 included in this prospectus have been so included in reliance on the report of Kesselman & Kesselman, Certified Public Accountants (Israel), an independent registered public accounting firm and a member firm of PricewaterhouseCoopers International Limited, given on the authority of said firm as experts in auditing and accounting.

ENFORCEMENT OF CIVIL LIABILITIES

We are incorporated under the laws of the State of Israel. Service of process upon us and upon our directors and officers and the Israeli experts named in this registration statement, most of whom reside outside of the United States, may be difficult to obtain within the United States. Furthermore, because substantially all of our assets and substantially all of our directors and officers are located outside of the United States, any judgment obtained in the United States against us or any of our directors and officers may not be collectible within the United States.

We have been informed by our legal counsel in Israel, Hamburger Evron & Co., that it may be difficult to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws reasoning that Israel is not the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law.

We have irrevocably appointed Urogen Pharma, Inc. as our agent to receive service of process in any action against us in any U.S. federal or state court arising out of this offering or any purchase or sale of securities in connection with this offering. Subject to specified time limitations and legal procedures, Israeli courts may enforce a U.S. judgment in a civil matter which, subject to certain exceptions, is non-appealable, including a judgment based upon the civil liability provisions of the Securities Act and the Exchange Act and including a monetary or compensatory judgment in a non-civil matter, provided that among other things:

- the judgment was obtained after due process before a court of competent jurisdiction, according to the laws of the state in which the judgment was given and the rules of private international law currently prevailing in Israel;
- the prevailing law of the foreign state in which the judgment was rendered allows for the enforcement of judgments of Israeli courts;
- adequate service of process has been effected and the defendant has had a reasonable opportunity to be heard and to present his or her evidence;
- the judgment is not contrary to public policy of Israel, and the enforcement of the civil liabilities set forth in the judgment is not likely to impair the security or sovereignty of Israel;
- the judgment was not obtained by fraud and do not conflict with any other valid judgments in the same matter between the same parties;
- an action between the same parties in the same matter is not pending in any Israeli court at the time the lawsuit is instituted in the foreign court; and
- the judgment is enforceable according to the laws of Israel and according to the law of the foreign state in which the relief was granted.

If a foreign judgment is enforced by an Israeli court, it generally will be payable in Israeli currency, which can then be converted into non-Israeli currency and transferred out of Israel. The usual practice in an action before an Israeli court to recover an amount in a non-Israeli currency is for the Israeli court to issue a judgment for the equivalent amount in Israeli currency at the rate of exchange in force on the date of the judgment, but the judgment debtor may make payment in foreign currency. Pending collection, the amount of the judgment of an Israeli court stated in Israeli currency ordinarily will be linked to the Israeli consumer price index plus interest at the annual statutory rate set by Israeli regulations prevailing at the time. Judgment creditors must bear the risk of unfavorable exchange rates.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act relating to this offering of our ordinary shares. This prospectus does not contain all of the information contained in the registration statement. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the registration statement. Statements made in this prospectus concerning the contents of any contract, agreement or other document are summaries of all material information about the documents summarized, but are not complete descriptions of all terms of these documents. If we filed any of these documents as an exhibit to the registration statement, you may read the document itself for a complete description of its terms.

You may read and copy the registration statement, including the related exhibits and schedules, and any document we file with the SEC without charge at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website that contains reports and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are also available to the public through the SEC's website at *http://www.sec.gov*.

Upon completion of this offering, we will be subject to the information reporting requirements of the Exchange Act that are applicable to foreign private issuers, and under those requirements will file reports with the SEC. These other reports or other information may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at *http://www.urogen.com*. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus.

UROGEN PHARMA LTD.

CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders of

UROGEN PHARMA LTD.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in shareholders' equity and cash flows present fairly, in all material respects, the financial position of Urogen Pharma Ltd. (the Company) and its subsidiary at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in United States of America. These financial statements are the responsibility of the Company's management and Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements 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. An audit 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 Board of Directors, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Tel-Aviv, Israel

March 8, 2017

/s/ Kesselman & Kesselman

Certified Public Accountants (lsr.)
A member firm of PricewaterhouseCoopers International Limited

Kesselman & Kesselman, Trade Tower, 25 Hamered Street, Tel-Aviv 6812508, Israel,
P.O Box 50005 Tel-Aviv 6150001 Telephone: +972-3-7954555, Fax: +972-3-7954556, www.pwc.com/il

UROGEN PHARMA LTD.

CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share and per share data)

	DECEMBER 31,	
	2016	2015
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 21,362	$ 17,975
Restricted deposit	95	21
Accounts receivable	83	—
Inventory	105	—
Prepaid expenses and other current assets	396	1,135
TOTAL CURRENT ASSETS	22,041	19,131
NON-CURRENT ASSETS		
Property and equipment, net	741	259
Restricted deposit	24	—
Other non-current assets	250	—
TOTAL ASSETS	$ 23,056	$ 19,390
Liabilities and Shareholders' equity		
CURRENT LIABILITIES:		
Accounts payable, accrued expenses and advances	$ 1,880	$ 1,728
Employee related accrued expenses	687	509
Proceeds from exercise of warrants for preferred shares	570	—
TOTAL CURRENT LIABILITIES	3,137	2,237
NON-CURRENT LIABILITIES		
Warrants for preferred shares	3,612	872
COMMITMENTS AND CONTINGENCIES (Note 6)		
TOTAL LIABILITIES	6,749	3,109
SHAREHOLDERS' EQUITY:		
Ordinary shares, NIS 0.01 par value: 5,500,000 shares authorized at December 31, 2016 and 2015; 720,555 and 719,060 issued and outstanding as of December 31, 2016 and 2015, respectively	2	2
Series A and A-1 preferred shares, NIS 0.01 par value: 4,500,000 shares authorized at December 31, 2016 and 2015; 1,622,957 shares issued and outstanding at December 31, 2016 and 2015	4	4
Additional paid-in capital	43,515	41,548
Accumulated deficit	(27,214)	(25,273)
TOTAL SHAREHOLDERS' EQUITY	16,307	16,281
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 23,056	$ 19,390

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

UROGEN PHARMA LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

	YEAR ENDED DECEMBER 31,	
	2016	2015
REVENUES	$ 17,530	$ —
COST OF REVENUES	28	—
GROSS PROFIT	17,502	—
OPERATING EXPENSES:		
RESEARCH AND DEVELOPMENT EXPENSES, NET	10,287	10,515
GENERAL AND ADMINISTRATIVE EXPENSES	6,417	1,895
OPERATING INCOME (LOSS)	798	(12,410)
FINANCE EXPENSES, NET	2,739	279
NET LOSS	$ (1,941)	$ (12,689)
LOSS PER ORDINARY SHARE BASIC AND DILUTED	$ (6.12)	$ (18.83)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED IN COMPUTATION OF BASIC AND DILUTED LOSS PER ORDINARY SHARE	720,477	719,060

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

UROGEN PHARMA LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

(U.S. dollars in thousands, except share data)

	ORDINARY SHARES		PREFERRED SHARES		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT	AMOUNTS		
BALANCE AS OF JANUARY 1, 2015	719,060	$ 2	270,973	$ 1	$ 15,744	$ (12,584)	$ 3,163
CHANGES DURING 2015:							
Issuance of preferred shares, net of issuance costs			1,135,984	2	21,253		21,255
Purchase of IP R&D in consideration for Preferred A Shares			216,000	1	4,102		4,103
Share-based compensation					449		449
Net loss						(12,689)	(12,689)
BALANCE AS OF DECEMBER 31, 2015	719,060	$ 2	1,622,957	$ 4	$ 41,548	$ (25,273)	$ 16,281
CHANGES DURING 2016:							
Exercise of options into ordinary shares	1,495	*			*		*
Share-based compensation					1,967		1,967
Net loss						(1,941)	(1,941)
BALANCE AS OF DECEMBER 31, 2016	720,555	$ 2	1,622,957	$ 4	43,515	(27,214)	16,307

The accompanying notes are an integral part of these consolidated financial statements.
(*) Represents amount less than one thousand

UROGEN PHARMA LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	YEAR ENDED DECEMBER 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,941)	$ (12,689)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Depreciation	213	113
In process R&D	—	4,103
Share based compensation	1,967	449
Exchange rates differences	—	(1)
Fair value adjustment of warrants for preferred shares	2,740	241
Changes in operating asset and liabilities:		
Increase in inventory	(105)	—
Increase in accounts receivable	(83)	—
Decrease (increase) in prepaid expenses and other current assets	739	(737)
Increase in accounts payable, accrued expenses and advances	481	1,155
Increase in employee related accrued expenses	178	191
Net cash provided by (used in) operating activities	4,189	(7,175)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in restricted deposit	(98)	—
Purchase of property and equipment	(695)	(301)
Net cash used in investing activities	(793)	(301)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Exercise of options into ordinary shares	—	—
Proceeds from exercise of warrants for preferred shares	570	—
Issuance cost	(579)	—
Proceeds from issuance of preferred shares from 2014 Share Purchase Agreement net of issuance cost	—	21,581
Net cash provided by (used in) financing activities	(9)	21,581
INCREASE IN CASH AND CASH EQUIVALENTS	3,387	14,105
BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	17,975	3,870
BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE YEAR	$ 21,362	$ 17,975
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Purchase of IP R&D in consideration for Preferred A Shares	$ —	$ 4,103
Non cash issuance cost	$ 181	$ —

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

UROGEN PHARMA LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)

NOTE 1—NATURE OF OPERATIONS

a. UroGen Pharma Ltd. (formerly TheraCoat Ltd.) is an Israeli company incorporated in April 2004 ("UPL").

UroGen Pharma Inc. a subsidiary of UPL, was incorporated in Delaware in October 2015 and began operating in February 2016 ("UPI").

UPL and UPI (together the "Company") is a clinical stage biopharmaceutical company focused on developing novel therapies designed to change the standard of care for urological pathologies.

b. In August 2015 the Company entered into an agreement with Allergan Pharmaceuticals International Limited, ("Allergan"), a wholly owned subsidiary of Allergan plc, pursuant to which the Company undertook to supply its gel product and supporting services to Allergan for consideration of $750, to allow Allergan to conduct certain scientific investigations aimed at testing utility of the Company's gel product for the delivery of a certain proprietary product of Allergan. Further, the Company granted Allergan a time limited option to negotiate an exclusive, worldwide right to research, develop, make and have made, use, sell, offer to sell and import the Company's product in combination with Allergan's product.

Pursuant to the terms of the agreement from 2015, on October 7, 2016, the Company entered into an exclusive license agreement with Allergan to license worldwide rights to some of its products indicated for use with neurotoxins. As stipulated in the agreement, Allergan paid a non-refundable upfront fee of $17.5 million in accordance to the terms of the license agreement. Allergan shall pay the Company additional milestone payments of up to $207.5 million and tiered royalty payments as a percentage of net sales of the licensed product all as stated in the agreement.

c. As of the date of approval of the consolidated financial statements, the Company has the ability to fund its planned operations for at least the next 12 months. However, in order to complete the clinical trials aimed at developing a product until obtaining its marketing approval, the Company will need to raise additional funds.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

b. Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. As applicable to these consolidated financial statements, the most significant estimates and assumptions relate to the fair value of share-based compensation, the fair value of the warrants for preferred shares and timing of revenue recognition.

c. Functional currency

The U.S. dollar ("Dollar") is the currency of the primary economic environment in which the operations of the Company and subsidiary are conducted. Therefore, the functional currency of the Company is the dollar.

Accordingly, transactions in currencies other than the Dollar are measured and recorded in the functional currency using the exchange rate in effect at the date of the transaction. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the Dollar are measured using the official exchange rate at the balance sheet date. The effects of foreign currency re-measurements are recorded in the consolidated statements of operations as "financial income (expenses)."

d. Cash and cash equivalents

The Company considers as cash equivalents all short-term, highly liquid investments, which include short-term bank deposits with original maturities of three months or less from the date of purchase that are not restricted as to withdrawal or use and are readily convertible to known amounts of cash.

UROGEN PHARMA LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)

e. Property and equipment

1) Property and equipment are stated at cost, net of accumulated depreciation.
2) The Company's property and equipment are depreciated using the straight-line method on the basis of their estimated useful lives.

Annual rates of depreciation are as follows:

	%
Computers and software	33
Laboratory equipment	15-30
Furniture	6-15
Manufacturing equipment	50

Leasehold improvements are amortized using the straight-line method over the shorter of the expected lease term and the estimated useful life of the improvements.

f. Impairment of long-lived assets

The Company tests long-lived assets, comprised solely of property and equipment, for impairment whenever events or circumstances present an indication of impairment. If the sum of expected future undiscounted cash flows of the assets is less than the carrying amount of such assets, an impairment loss would be recognized. The assets would be written down to their estimated fair values, calculated based on the present value of expected future discounted cash flows or some other fair value measure.

As of December 31, 2016 and 2015, the Company did not recognize an impairment loss for its long-lived assets.

g. Contingencies

Certain conditions may exist as of the date of the financial statements, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management assesses such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's management evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

Management applies the guidance in ASC 450-20-25 when assessing losses resulting from contingencies. If the assessment of a contingency indicates that it is probable that a loss has been incurred and the amount of the liability can be estimated, then the estimated liability is recorded as accrued expenses in the Company's financial statements. If the assessment indicates that a potential loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable are disclosed.

In accruing a provision for loss, the Company recognizes an accrual for the amount within a range of loss that represents the best estimate within the range. When no amount within the range is a better estimate than any other amount, the Company accrues for the minimum amount within the range.

h. Financial instruments

When the Company issues preferred shares, it considers the provisions of ASC 480 in order to determine whether the preferred share should be classified as a liability. If the instrument is not within the scope of ASC 480, the Company further analyses the instrument's characteristics in order to determine whether it should be classified within temporary equity (mezzanine) or within permanent equity in accordance with the provisions of ASC 480-10-S99.

When the Company issues other freestanding instruments, the Company first analyses the provisions of ASC 480 in order to determine whether the instrument should be classified as a liability, with subsequent changes in fair value recognized in earnings in each period.

If the instrument is not within the scope of ASC 480, the Company further analyses the provisions of ASC 815-40 in order to determine whether the instrument should be classified within equity or rather classified as an asset or liability, with subsequent changes in fair value recognized in earnings in each period. See note 7 and note 8.

i. Share-based compensation

The Company accounts for employees' and directors' share-based payment awards classified as equity awards using the grant-date fair value method. The fair value of share-based payment transactions is recognized as an expense over the requisite service period. As of December 31, 2016 the Company has early adopted the policy to account for forfeitures as they occur according to the FASB's Accounting Standards Update (ASU) 2016-09, Improvements to Employee Share based Payment Accounting. The adjustment for the beginning of the period was not material ($30) and therefore it was not reflected in the consolidated statements of changes in shareholders' equity.

The Company elected to recognize compensation costs for awards conditioned only on continued service that have a graded vesting schedule using the straight-line method and to value the awards based on the single-option award approach. Performance based awards are expensed over the requisite service period when the achievement of performance criteria is probable.

Equity awards granted to non-employees are re-measured at each reporting period at fair value until the commitment date had been reached which is usually the date the service is completed. The fair value of equity awards is charged to the statement of operations over the service period using the straight-line method.

j. Revenue recognition

Virtually all the Company's revenues are derived from the license agreement with Allergan, to license worldwide rights to some of its products. Revenue is recognized only when all of the following conditions have been met: (i) there is persuasive evidence of an arrangement; (ii) delivery has occurred: (iii) the fee is fixed or determinable: and (iv) collectability of the fee is reasonably assured.

The license agreement contains two deliverables: (a) the license component and (b) Allergan's right to require supply services of RTGel vials from the Company.

In an arrangement with multiple deliverables, the delivered item or items shall be considered a separate unit of accounting if all of the following criteria are met:

(a) The delivered item or items have value to the customer on a standalone basis. The item or items have value on a standalone if they are sold separately by any vendor or the customer could resell the delivered item(s) on a standalone basis. In the context of a customer's ability to resell the delivered item(s), this criterion does not require the existence of an observable market for the deliverable(s), (b) If the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item or items is considered probable and substantially in the control of the vendor.

When deliverables are separable, arrangement consideration is allocated to the separate units of accounting based on the relative selling price of each deliverable (where the amount allocable to the delivered element is limited to the amount not contingent on the delivery of future products or services) and the appropriate revenue recognition principles are applied to each unit.

The license component has standalone value (and therefore is accounted for separately from the supply services) since Allergan can use the license for its intended purposes without the Company's supply services. The four conditions of ASC 605 were met as of December 31, 2016: (1) persuasive evidence of an arrangement exists since

the Company and Allergan engaged with a binding agreement; (2) delivery has occurred or services have been rendered since all documents and data Allergan has requested relating to the Company's know-how were provided before December 31, 2016 and Allergan can use the license for its intended purposes without the supply services (except for immaterial support services); (3) the fee is fixed or determinable, as indicated in the license agreement; and (4) collectability is reasonably assured.

Therefore, as of December 31, 2016, the consideration received in an amount of $17.5 million represents arrangement consideration for both the license of the intellectual property as well as Allergan's right to future supply services (which would be provided in consideration for future payments to the Company according to the pricing stipulated in the supply agreement). The Company determined that the pricing of the supply services represents their standalone selling price. Accordingly, the Company allocated the entire upfront fee of $17.5 million to the license component. In addition, revenue from the supply services would be recorded in an amount equal the consideration stipulated in the agreement for these services, when these services are provided.

As described in Note 1, the Company is also entitled to milestone payments and royalties based on Allergan's revenue from its product, which are not considered fixed or determinable until their occurrence. Therefore, these amounts would only be recognized when the conditions for payment are met, and they become due and payable.

k. Research and development costs

Research and development costs are expensed as incurred and consist primarily of the cost of salaries, share-based compensation expenses, payroll taxes and other employee benefits, subcontractors and materials used for research and development activities and professional services. Grants received from the Israel Innovation Authority, f/k/a the Office of the Chief Scientist of Israel's Ministry of Industry, Trade and Labor (the "IIA") are recognized when the grant becomes receivable, provided there is reasonable assurance that the Company will comply with the conditions attached to the grant and there is reasonable assurance the grant will be received. The grant is deducted from the research and development expenses as the applicable costs are incurred. In the year ended December 31, 2015 the company deducted research and development expenses in the amount of $537. In the year ended December 31, 2016, the company had an increase of $175 to its research and development expenses as a result of its decision not to pursue one of its research programs that had been approved as a result of other financing opportunities. The costs of services performed by others in connection with the research and development activities of an entity, including research and development conducted by others in behalf of the entity, shall be included in research and development costs. The amount received from Allergan from the pre-clinical collaboration agreement signed in August 2015 was deducted from research and development expenses in the statements of operations as the applicable costs are incurred. For the years ended December 31, 2016 and 2015 an amount of $126 and $624, respectively, was deducted from research and development expenses.

The costs of intangibles that are purchased from others for a particular research and development project and that have no alternative future uses (in other research and development projects or otherwise) and therefore no separate economic values are research and development costs at the time the costs are incurred.

The intellectual property costs totaling $4,103, as described in note 8a(5), were expensed as incurred to research and development costs in accordance with ASC 730, as the intellectual property was purchased from others for a particular research and development project and has no alternative future use and therefore no separate economic value.

l. Income taxes:

1) Deferred taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation

allowance is recognized to the extent that it is more likely than not that the deferred taxes will not be realized in the foreseeable future.

2) Uncertain income tax positions

The Company follows a two-step approach in recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates that it is more likely than not that the position will be sustained based on technical merits. If this threshold is met, the second step is to measure the tax benefit as the largest amount that is more likely than not of being realized upon ultimate settlement.

m. Loss per share

Basic loss per share ("LPS") is computed by dividing net loss for the year, after reducing cumulative dividends on preferred shares by the weighted average number of ordinary shares of the Company outstanding for each period.

The calculation of diluted net loss per share excludes potential share issuances of ordinary shares upon the exercise of share options, warrants for preferred shares and convertible preferred share as each of their effect is anti-dilutive.

n. Fair value measurement

Fair value is based on the price that would be received from the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in its assessment of fair value.

o. Concentration of credit risks

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents. The Company deposits cash and cash equivalents with highly rated financial institutions, and, as a matter of policy, limits the amounts of credit exposure to any single financial institution. The Company has not experienced any credit losses in these accounts and does not believe it is exposed to significant credit risk on these instruments.

p. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. The Company operates in one operating segment.

q. IPO Costs

The Company accounts for IPO costs in accordance with SEC Staff Accounting Bulletin Topic 5A. During the year ended December 31, 2016, the Company recorded $1.7 million in general and administrative expenses related to IPO costs.

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r. Newly issued and recently adopted accounting pronouncements

1) In August 2014, FASB issued ASU 2014-15—Presentation of Financial Statements—Going Concern (ASC Subtopic 205-40): "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern". The update requires management to assess a company's ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. All entities are required to apply the new requirements in annual periods ending after December 15, 2016, and interim periods thereafter. Early application is permitted. The Company adopted the provisions of these pronouncement.
2) In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" (Topic 606), ("ASU 2014-09"). ASU 2014-09 requires entities to recognize revenue that represents the transfer of promised goods or services to customers in an amount equivalent to the consideration to which the entity expects to be entitled to in exchange for those goods or services. The following steps should be applied to determine this amount: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. ASU 2014-09 supersedes the revenue recognition requirements in ASU 605, "Revenue Recognition," and most industry-specific guidance in the Accounting Standards Codification. In August 2015, the FASB issued ASU 2015-14 on this same topic, which defers for one year the effective date of ASU 2014-09, therefore, the guidance is effective for the Company for annual reporting periods, including interim periods therein, beginning January 1, 2018. The new revenue standards may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The Company is currently evaluating the impact of adopting the guidance on its Consolidated Financial Statements.
3) In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASU 2016-02"). ASU 2016-02 supersedes existing guidance in Leases (Topic 840). The revised standard requires lessees to recognize the assets and liabilities arising from leases with lease terms greater than twelve months on the balance sheet, including those currently classified as operating leases, and to disclose key information about leasing arrangements. Lessees will be required to recognize a lease liability and a right-of-use asset on their balance sheets, while lessor accounting will remain largely unchanged. The guidance is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact the adoption of ASU 2016-02 will have on its consolidated financial statements and related disclosures.
4) In March 2016, the FASB issued ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting." ASU 2016-09 is aimed to simplifying the accounting for share-based payment transactions. Included in the update are modifications to the accounting for income taxes upon vesting or settlement of awards, employer tax withholding on share-based compensation and financial statements presentation of excess tax benefits. The guidance also provides an accounting policy election to account for forfeitures as they occur. As permitted by ASU 2016-09, the Company early-adopted this standard in the fourth quarter of 2016, using a modified retrospective transition method by means of a cumulative-effect adjustment to equity as of the beginning of the period in which the guidance is adopted. The impact of this adoption is immaterial.
5) In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments," which addresses the presentation of restricted cash and restricted cash equivalents (or amounts generally described as such) within the statement of cash flows under ASC 230, Statement of Cash Flows, with the intent to reduce diversity in practice. Among others, this ASU addresses cash flow treatment such as debt prepayment or debt extinguishment costs and proceeds from the settlement of insurance claims. Entities are required to disclose how the statement of cash flows reconciles to the balance sheet if restricted cash is shown separately from cash and cash equivalents on the balance sheet. Entities must also disclose information about the nature of the restrictions. The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. A retrospective basis adoption is required. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

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6) In November 2016, the FASB issued ASU No. 2016-18, “Statement of Cash Flows (Topic 230): Restricted Cash” (“ASU 2016-18”). ASU 2016-18 amends the classification and presentation of changes in restricted cash or restricted cash equivalents in the statement of cash flows. The ASU 2016-18 is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact the adoption of ASU 2016-18 will have on its consolidated financial statements.

NOTE 3—PROPERTY AND EQUIPMENT

	DECEMBER 31,	
	2016	2015
Cost:		
Leasehold improvements	$ 441	$ 66
Computers and software	106	59
Laboratory equipment	136	105
Manufacturing equipment	227	125
Furniture	201	61
	1,111	416
Less—Accumulated depreciation	(370)	(157)
Property and equipment, net	$ 741	$ 259

Depreciation expense was $213 and $113 for the years ended December 31, 2016 and 2015, respectively.

NOTE 4—EMPLOYEE RIGHTS UPON RETIREMENT

The Company is required by law to make severance payments upon dismissal of an employee or upon termination of employment in certain other circumstances.

The Company operates a number of post-employment defined contribution plans. A defined contribution plan is a program that benefits an employee after termination of employment, under which the Company regularly makes fixed payments to a separate and independent entity so that the Company has no legal or constructive obligation to pay additional contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The fund assets are not included in the Company’s financial position.

The Company operates pension and severance compensation plans subject to Section 14 of the Israeli Severance Pay Law. The plans are funded through payments to insurance companies or pension funds administered by trustees. In accordance with its terms, the plans meet the definition of a defined contribution plan, as defined above.

NOTE 5—PROCEEDS FROM EXERCISE OF WARRANTS FOR PREFERRED SHARES

Warrants for preferred shares are exercisable for Series A-1 preferred shares at an exercise price of $25.00 per share. As of December 31, 2016, the number of warrants for preferred shares that are exercisable for Series A-1 preferred shares is 227,602.

During 2016 the Company notified these warrant holders that it is ready to accept an exercise notice that is conditioned on the price per share that will be determined in the anticipated IPO. As of December 31, 2016 the

Company received a total amount of $570 as consideration for the conditional cash exercise of the warrants. The cash received for the warrant exercises was recorded among current liabilities as Proceeds from exercise of warrants for preferred shares.

NOTE 6—COMMITMENT AND CONTINGENCIES

a. Lease agreement

In April 2016, the Company signed an addendum to November 2014 lease agreement in order to increase the office space rented and to extend the rent period. The Company has a lease agreement effect until 2019.

The rent expenses for the years ending December 31, 2016 and 2015 are approximately $218 and $121, respectively.

UPI entered into a lease agreement for its office for a period of 7 years commencing on May 1, 2016. As part of the agreement UPI provided the lessor with a letter of credit which expires on December 2017 and shall be automatically annually renewed for approximately $75. The rent expenses for the year ended December 31, 2016 are approximately $102

The future minimum lease payments required in each of the next seven years under the lease agreements are $400 per year for the year 2017, $405 in 2018, $351 in 2019, $192 per year for the years 2020 until 2022 and $80 in 2023.

b. Grants from the Israel Innovation Authority ("IIA"), formerly known as the Office of the Chief Scientist of the State of Israel

The Company has received grants from the IIA for research and development funding. Up until 2007, the IIA participation in the funding of the Company's operations was as part of the Director General Directive 8.2 of Israel by grants provided to Granot Ventures. Since 2008, the funding was provided directly to Company.

The Company is committed to pay royalties to the Government of Israel on proceeds from sales of products in the research and development of which the IIA participates by way of grants. At the time the grants were received, successful development of the related projects was not assured. In the case of failure of a project that was partly financed as above, the Company is not obligated to pay any such royalties. Under the terms of the funding from the IIA, royalties of 3%-4.5% are payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the Company (dollar linked); with the addition of annual interest at a rate based on 12-month LIBOR. The Company is subject to several conditions, including restrictions on its intellectual property.

As of December 31, 2016, the maximum royalty amount payable by the Company under these funding arrangements is $2,105 (excluding interest).

c. Financing success fees

The Company entered into agreements with third parties and shareholders in connection with fundraising efforts. In consideration of the services rendered, the Company undertook to pay those third parties and shareholders certain success fees from funds actually received by the Company and/or options to purchase equity of the Company, at a rate agreed between the parties.

Total success fees to third parties for the year ended December 31, 2016 consisted of 1,790 options to third parties to purchase ordinary shares with a fair value of $9. For the year ended December 31, 2015, total success fees to third parties were $108, and were payable in cash.

NOTE 7—FINANCIAL INSTRUMENTS

a. Warrants for preferred shares

1) In 2014, as part of a Share Purchase Agreement (the—"SPA"), the Company issued warrants (the "A-1 warrants") for preferred shares, see note 8a2.

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2) The A-1 warrants are exercisable into series A-1 preferred shares of the Company, nominal value NIS 0.01 per share, for an exercise price of $25.00 per share commencing on the date of the issuance and until the earlier of an IPO, M&A event or four years.

The warrants are exercisable for series A-1 preferred shares, in consideration for cash representing the exercise price. In the event that the warrant is exercised in connection with an IPO or M&A event, the holder may elect to convert the warrant on a net share basis.

The A-1 warrants are classified as liabilities in accordance with ASC 480, as they are freestanding instruments, exercisable into series A-1 preferred shares, which are redeemable upon certain events that represent "Deemed Liquidation" events (see also Note 8c3). Accordingly, the A-1 warrants are measured at fair value in every reporting period, and changes in their fair value are recognized in earnings within financial income (expense).

As of December 31, 2015 the fair value of the warrants for preferred shares was measured in accordance with the Hybrid Method. The Hybrid Method combines the probabilities of an IPO scenario which was estimated at 15% and a liquidation event scenario which was estimated at 85%. The fair value was determined mainly based on the SPA price per share of $19.00 of Series A preferred shares and assumptions related to achieving the required milestone for additional investment that was determined in the SPA, and, expected volatility at a rate of 75.4%.

The fair value of the preferred share warrants as of December 31, 2016 was measured in accordance with the Hybrid Method. The Hybrid Method combines the probabilities of an IPO scenario which was estimated at 20% and a liquidation event scenario which was estimated at 80%. As of December 31, 2016 the fair value of the warrants for preferred shares was determined mainly based on estimation of the company's equity value derived from DCF calculation and on assumption relating to the future revenue forecast, clinical success probabilities, relevant discount rates between 10.5%-19% (10.5% for the cash flow expected to be derived from the license agreement with Allergan and 19% for the cash flows expected to be derived from the company's internal development) and expected volatility at a rate of 73.93%.

b. The Company financial instruments measured in fair value and classified as Level 3.

The table below sets forth a summary of the changes in the fair value of the warrants for preferred shares classified as Level 3:

	DECEMBER 31,	
	2016	2015
Balance at beginning of year	$ 872	$ 305
Issuance of warrants for preferred shares	—	326
Changes in fair value of warrants for preferred shares	2,740	241
Balance at end of year	$ 3,612	$ 872

c. As of December 31, 2016 and 2015 the fair value of all financial assets and liabilities, approximate their carrying amounts.

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NOTE 8—SHARE CAPITAL:

a. Share capital

1) As of December 31, 2016 and 2015 the share capital of the Company was as follows:

	NUMBER OF SHARES			
	AUTHORIZED		ISSUED AND OUTSTANDING	
	DECEMBER 31		DECEMBER 31	
	2016	2015	2016	2015
Ordinary shares of NIS 0.01 par value	5,500,000	5,500,000	720,555	719,060
Series A and A-1 preferred shares of NIS 0.01 par value	4,500,000	4,500,000	1,622,957	1,622,957

2) In September 2014 (closing in October 2014), the Company signed a SPA with shareholders and new investors for an aggregate amount of up to $8,000 in exchange for Series A preferred shares at a price per share of $19.00 and warrants to purchase Series A-1 preferred shares at a per share of $25.00. According to the SPA, each investor that invests more than $500 was required to transfer 50% of its investment at the initial closing in October 2014 (the “Initial Closing”) and an additional 50% once the Company meets certain milestones the (“Milestone Closing”) or upon an investors’ waiver of attainment of the milestone.

   During 2014, the Company received $4,304 and an additional amount of $130 in January 2015, net of issuance costs of $67, in exchange for 236,912 shares of Series A preferred shares and 118,465 A-1 warrants.

   In July 2015, at the Milestone Closing the Company issued for total consideration of $3,500, 184,210 shares of Series A preferred shares and 92,106 A-1 warrants at $25.00 price per Series A preferred share.

3) In October 2015, the Company reclassified 2,500,000 Ordinary Shares from the authorized but unissued share capital of the Company, into 2,500,000 Series A preferred shares NIS 0.01 each, so that the authorized share capital of the Company, after giving effect to the additional Series A preferred shares, shall be follows:

CLASS OF SHARES	NUMBER OF SHARES	PAR VALUE
Ordinary shares NIS 0.01	5,500,000	55,000
Series A preferred shares NIS 0.01	3,500,000	35,000
Series A-1 preferred shares NIS 0.01	1,000,000	10,000

4) In October 2015 (closing in November 2015), the Company signed a share purchase agreement (the “2015 SPA”) with shareholders and new investors for an aggregate amount of up to $18,084 in exchange for 951,774 shares of Series A preferred shares of the Company at a price per share of $19.00.

5) In October 2015 the Company entered into an asset purchase agreement with Telormedix SA (“TMX”) pursuant to which the Company purchased all of the intellectual property assets of TMX (in process R&D) in consideration for 216,000 Series A preferred shares of the Company at a price per share of $19.00 (this includes 54,000 Series A preferred shares, which are being held in escrow and will be automatically released to TMX on the earlier of (i) 12 months from the date of initial closing, as set forth in the asset purchase agreement, and (ii) consummation of an IPO). The Company will issue an additional 29,000 Series A preferred shares upon occurrence of each of three milestones, for a maximum potential of 87,000 Series A preferred shares. The intellectual property costs totaling $4,103 were expensed as incurred to research and development costs as there is no alternative future use and therefore no separate economic value.

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b. Terms of the Company's ordinary shares

Each ordinary share is entitled to one vote. The holders of ordinary shares are also entitled to receive dividends whenever funds are legally available, when and if declared by the Board of Directors. Since its inception, the Company has not declared any dividends.

c. Terms of the Company's convertible preferred shares:

Preferred shares of the Company include series A and A-1 preferred shares. The exercise price of series A preferred shares is $19.00 and the exercise price of series A-1 preferred shares is $25.00.

1) The holder of each preferred share shall: (i) be entitled to the number of votes which is equal to the number of ordinary shares into which such preferred share is then convertible (ii) have voting rights and powers equal to the voting rights and powers of any holder of ordinary shares and shall vote as a single class with the holders of ordinary shares; and (iii) be entitled to notice of any meeting of the shareholders.
2) From and after the date of the issuance of any preferred shares, dividends at the rate per annum of 8% of the Original Purchase Price (as defined) per share shall accrue on such preferred shares (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the preferred shares).
3) In the event of: (i) any dissolution or liquidation of the Company; (ii) any bankruptcy or insolvency proceeding under any bankruptcy or insolvency or similar law, whether voluntary or involuntary, is properly commenced by or against the Company; (iii) a receiver or liquidator has been appointed to all or substantially all of the Company's assets, (iv) a Deemed Liquidation (as defined below) event (each of the foregoing, a "Liquidation Event"), or (v) distribution of Dividends, then any Dividends, assets or proceeds of the Company available for distribution to the shareholders ("Distributable Proceeds"), shall be distributed among the shareholders pursuant to the following order of preference:
    a) First, the holders of the preferred shares shall be entitled to receive out of the Distributable Proceeds, prior to and in preference to any distribution to any of the holders of the ordinary shares an amount per preferred share equal to the higher of: (i) the Original Purchase Price plus any Accruing Dividends (as defined), accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon less any amount of Distributable Proceeds previously paid with regard to such shares (collectively, the "Preferential A Amount") and (ii) such amount per share as would have been payable had all preferred shares been converted into ordinary shares immediately prior to such Liquidation Event.
    b) If the assets (or securities) available for distribution shall be insufficient to permit the payment to holders of the preferred shares of the full Preferential A Amount, then the entire assets (or securities) available for distribution shall be distributed pro-rata among the holders of the preferred shares in proportion to the Preferential A Amount each such holder is otherwise entitled to receive.
    c) Second, after payment in full of the Series A Liquidation Amount, the remaining assets of the Company available for distribution to the Company's shareholders shall be distributed among the holders of ordinary shares, pro rata based on the number of shares held by each such holder.
    d) Any of the following events shall be deemed a Liquidation Event (each a "Deemed Liquidation"): a transaction or a series of related transactions which entails (i) any sale of all, or substantially all, of the Company's assets or technology, including by way of granting an exclusive license that is equivalent to the sale of all, or substantially all of the Company's intellectual property; (ii) the consolidation, merger, or reorganization of the Company into any other entity, in which the Company is not the surviving entity; except, in each case, any transaction in which the shareholders of the Company prior to the transaction hold more than fifty percent (50%) of the outstanding share capital of the Company or the surviving company, as applicable, immediately following such transaction; provided, however, that shares of the surviving entity held by shareholders of the Company acquired by means other than the exchange or conversion of the shares of this Company shall not be used in determining if the shareholders of the Company own more than fifty percent (50%) of the outstanding share capital of the surviving entity (or its parent), but shall be used

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for determining the total outstanding share capital of the surviving entity; and (iii) any sale of all, or substantially all, of the Company's issued and outstanding share capital.

4) The holders of preferred shares shall have the following conversion rights:
   a) Optional conversion- each preferred share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share into such number of fully paid shares of ordinary shares as is determined by dividing the Original Purchase Price by the conversion price applicable to such share, in effect on the date that the certificate is surrendered for conversion. The initial conversion price of the preferred shares shall be the Original Purchase Price; and provided, however, that the conversion price for the preferred shares shall be subject to certain adjustments.
   b) Automatic conversion- Each preferred share shall automatically be converted into ordinary shares at the Conversion Price at the time in effect for such preferred share, on the consummation of any one of the following events:
      i) Upon the closing of an IPO, where the Company's pre-money valuation is $75,000 or more with net proceeds to the Company of $25,000 or more (a "Qualified Public Offering"); or
      ii) In the event that holders of a majority of sixty percent (60%) of the then outstanding preferred shares, voting as a single class, consent to such.
5) The preferred shares also confer on their holders certain anti-dilution rights that adjust the conversion ratio in the event that the Company issues new shares at the price lower than the price original issue to the respective preferred shareholders.

   The series A preferred shares are classified within permanent equity as they are not subject to liability classification under the scope of ASC 480, and meet all the requirements of equity classification under ASC 480-10-S99.

d. Share-based compensation

In October 2010, the Company's board of directors approved a share option plan (the "Plan") for grants to Company employees, consultants, directors, and other service providers.

The grant of options to Israeli employees under the Plan is subject to the terms stipulated by Section 102 of the Israeli Income Tax Ordinance ("Section 102"). The option grants are subject to the track chosen by the Company, either the "regular income" track or the "capital gains" track, as set out in Section 102. The Company registered the Plan under the capital gains track, which offers more favorable tax rates to the employees. As a result, and pursuant to the terms of Section 102, the Company is not allowed to claim as an expense for tax purposes the amounts credited to the employees in respect of options granted to them under the Plan, including amounts recorded as salary benefits in the Company's accounts, with the exception of the work-income benefit component, if any, determined on grant date. For non-employees and for non-Israeli employees, the share option plan is subject to Section 3(i) of the Israeli Income Tax Ordinance.

The expected volatility is based on the historical volatility of comparable companies. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected term of the options granted in dollar terms. The expected term is the length of time until the expected dates of exercising the options, and is estimated for employees (except senior management) using the simplified method due to insufficient specific historical information of employees' exercise behavior, and for non-employees, directors and senior management using the contractual term.

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For the years ended December 31, 2016 and 2015, the Company granted options to certain employees and non-employees as follows:

1) Options granted to employees and directors:
Set forth below are grants made by the Company to employees as of December 31, 2016. The majority of the options vest over a period of four years and expire on the seventh anniversary of the date of grant.

a) During 2015, the Company granted 343,371 options to employees and directors with exercise prices ranging from $0 to $19 per share.
b) During 2016, the Company granted 126,507 options to employees and directors with exercise prices ranging from $16 to $19 per share.

The fair value of options granted to employees and directors during 2016 and 2015 was $906 and $2,334, respectively.

The total unrecognized compensation cost of employee options at December 31, 2016 is $1,776, which is expected to be recognized over a weighted average period of 2.44 years.

The fair value of options granted to employees and directors on the date of grant was computed using the Black-Scholes model. The underlying data used for computing the fair value of the options are as follows:

	2016	2015
Value of ordinary shares	$9.54-17.72	$9.54-9.64
Dividend yield	0%	0%
Expected volatility	74.8%-80%	69.78%-76.68%
Risk-free interest rate	1.4%-2.13%	0.38%–2.08%
Expected term	7 years	1-7 years

2) Options granted to consultants and other service providers:
During 2016 and 2015, the Company granted 41,261 and 63,694 options, respectively, to consultants and service providers with an exercise price ranging from $0 to $19 per share.

The fair value as of December 31, 2016 and 2015 of options granted to consultants and other service providers during as of 2016 and 2015 was $671 and $57, respectively.

The fair value of options granted to consultants and other service providers as of December 31, 2016 and 2015 was computed using the Black-Scholes model. The underlying data used for computing the fair value of the options are as follows:

	2016	2015
Value of ordinary shares	$5.06-25.47	$9.54
Dividend yield	0%	0%
Expected volatility	72.72%-80%	73.31%-76.3%
Risk-free interest rate	1.56%-2.27%	1.88%–2.07%
Expected term	5.8-8.5 years	6.8-7 years

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3) The following table summarizes the number of options outstanding under the Plan for the years ended December 31, 2016 and 2015, and related information:

	EMPLOYEES AND DIRECTORS		CONSULTANTS AND SERVICE PROVIDERS	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE PRICE PER SHARE	NUMBER OF OPTIONS	WEIGHTED AVERAGE PRICE PER SHARE
Outstanding at January 1, 2015	186,200	$ 11.82	103,911	$ 11.88
Granted	343,371	$ 9.56	63,694	$ 9.54
Canceled/Forfeited	(2,500)	$ 16.00	(7,215)	$ 7.47
Outstanding at December 31, 2015	527,071	$ 10.33	160,390	$ 11.15
Granted	126,507	$ 11.19	41,261	$ 22.90
Canceled/Forfeited	(19,000)	$ 9.68	(1,875)	$ 5.06
Exercised	—	—	(1,495)	$ 7.84
Outstanding at December 31, 2016	634,578	$ 10.52	198,281	$ 13.68

4) The following tables summarize the outstanding and exercisable options as of December 31, 2016:

	DECEMBER 31, 2016			
	OPTIONS OUTSTANDING		OPTIONS EXERCISABLE	
EXERCISE PRICE PER SHARE	NUMBER OF OPTIONS OUTSTANDING AT END OF YEAR	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF OPTIONS EXERCISABLE AT END OF YEAR	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE
$0	86,000	5.6	28,292	5.6
$0.01	14,893	2	14,893	2
$5.00	4,000	6.3	4,000	6.3
$5.70	17,000	5.8	5,667	5.8
$7.84	56,297	1.0	56,297	1.0
$12.85	60,687	2.4	60,687	2.4
$16.00	424,275	5.1	239,076	4.6
$19.00	156,500	6.3	25,000	6
$21.53	13,207	0.7	13,207	0.7
	832,859		447,119	

The aggregate intrinsic value of the total vested and exercisable options as of December 31, 2016 is $5,683.

5) The following table illustrates the effect of share-based compensation on the statements of operations:

	YEAR ENDED DECEMBER 31,	
	2016	2015
Research and development expenses	$ 1,167	$ 170
General and administrative expenses	800	279
	$ 1,967	$ 449

UROGEN PHARMA LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)

6) In February, March, April, June and November 2016, the Company increased the number of ordinary shares reserved for issuance under the Company's share option/incentive plans and arrangements by 100,000, 65,000, 43,000, 41,000 and 28,194 ordinary shares, respectively, to a total amount of 844,859 ordinary shares.

NOTE 9—TAXES ON INCOME

The Company is taxed under Israeli tax laws:

a. Tax rates

The income of the Company is taxed at the regular rate. The corporate tax rate for 2016 was 25% and for 2015 was 26.5%.

In December 2016, the Economic Efficiency Law (Legislative Amendments for Implementing the Economic Policy for the 2017 and 2018 Budget Year), 2016 was published, introducing a gradual reduction in corporate tax rate from 25% to 23%. However, the law also included a temporary provision setting the corporate tax rate in 2017 at 24%. As a result, the corporate tax rate will be 24% in 2017 and 23% in 2018 and thereafter.

The change in tax rate as mentioned above has not affected the Company since the Company has not recognized taxes to date.

b. Tax assessments

All the tax assessments filed by 2013 are considered final.

c. Losses for tax purposes carried forward to future years

As of December 31, 2016, the Company had approximately $14,260 of net carry forward tax losses available to reduce future taxable income without limitation of use.

d. Deferred income taxes:

	DECEMBER 31,	
	2016	2015
In respect of:		
Net operating loss carry forward	$ 3,280	$ 3,691
Research and Development expenses	—	742
In-Process R&D	806	—
Other	72	66
Less—valuation allowance	(4,158)	(4,499)
Net deferred tax assets	$ —	$ —

The change in valuation allowance for the years ended December 31, 2016 and 2015 were as follows:

	2016	2015
Balance at the beginning of the year	$(4,499)	$(2,551)
Changes during the year	341	(1,948)
Balance at the end of the year	$(4,158)	$(4,499)

The main reconciling item between the statutory tax rate of the Company and the effective rate is the share based compensation and provision for full valuation allowance in respect of tax benefits from carry forward tax losses due to the uncertainty of the realization of such tax benefits.

e. As of December 31, 2016 and 2015, the Company had not accrued a provision for uncertain tax positions.

UROGEN PHARMA LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)

NOTE 10—LOSS PER ORDINARY SHARE:

The following table sets forth the calculation of basic and diluted loss per share for the periods indicated:

	YEAR ENDED DECEMBER 31,	
	2016	2015
Basic and diluted:		
Loss attributable to equity holders of the Company	$ 1,941	$ 12,689
Dividend accumulated for preferred shares during the period	$ 2,467	$ 852
Loss attributable to equity holders of the Company, after deducting dividend accumulated for preferred shares	$ 4,408	$ 13,541
Weighted average number of ordinary shares	720,477	719,060
Loss per ordinary share (LPS)	$ 6.12	$ 18.83

For the years ended December 31, 2016 and 2015, all ordinary shares underlying outstanding options, A-1 warrants and convertible preferred shares have been excluded from the calculation of the diluted loss per share since their effect was anti-dilutive. Diluted LPS does not include 832,859 and 687,461 ordinary shares underlying outstanding options for the years ended December 31, 2016 and 2015, respectively, 227,602 shares issuable upon exercise of the A-1 warrants for series A-1 preferred shares for the years ended December 31, 2016 and 2015, and 1,622,957 shares issuable upon conversion of preferred shares for the years ended December 31, 2016 and 2015.

NOTE 11—RELATED PARTIES-TRANSACTIONS AND BALANCES:

Related parties include the Chairman of the Board of Directors, the board members and the Chief Executive Officer of the Company.

a. Transactions with related parties

	YEAR ENDED DECEMBER 31,	
	2016	2015
Expenses:		
Payroll and related expenses	622	$ 440
Management fees	224	139
Research grants	50	—
	$ 896	$ 579

b. Balances with related parties:

	DECEMBER 31,	
	2016	2015
Accounts payable and accrued expenses	$ 35	$ 12
Prepaid expenses and other current assets	$ 17	$ —

UROGEN PHARMA LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)

c. Related parties:

UPI entered into a lease agreement, dated as of November 2015 and commencing as of May 2016, for office space in New York, which serves as the headquarters for UPI (see note 6). UPI shares the office space equitably with Kite Pharma, Inc., a Delaware corporation, who is a cosignatory to such lease agreement. Arie Belldegrun, M.D., UPL's chairman, serves as the Chairman and Chief Executive Officer of Kite Pharma Inc.

NOTE 12—SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through March 8, 2017.

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Ordinary Shares

UroGen Pharma Ltd.

PRELIMINARY PROSPECTUS

Jefferies

Cowen and Company

, 2017

Through and including , 2017 (25 days after the date of this prospectus), all dealers that buy, sell or trade our ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors, Officers and Employees.

Under the Israeli Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care, but only if a provision authorizing such exculpation is included in its articles of association. Our amended and restated articles of association to be effective upon the closing of this offering include such a provision. A company may not exculpate in advance a director from liability arising out of a breach of the duty of care with respect to a distribution.

Under the Israeli Companies Law, a company may indemnify an office holder with respect to the following liabilities and expenses incurred for acts performed by him or her as an office holder, either pursuant to an undertaking made in advance of an event or following an event, provided its articles of association include a provision authorizing such indemnification:

- financial liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the abovementioned foreseen events and amount or criteria;
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and (2) in connection with a monetary sanction; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf, or by a third party, or in connection with criminal proceedings in which the office holder was acquitted, or as a result of a conviction for an offense that does not require proof of criminal intent.

Under the Israeli Companies Law, a company may insure an office holder against the following liabilities incurred for acts performed by him or her as an office holder, if and to the extent provided in the company's articles of association:

- a breach of the duty of loyalty to the company, provided that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of the duty of care to the company or to a third party, to the extent such a breach arises out of the negligent conduct of the office holder; and
- a financial liability imposed on the office holder in favor of a third party.

Under the Israeli Companies Law, a company may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of the duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to the company to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;

- an act or omission committed with intent to derive illegal personal benefit; or
- a fine, civil fine, monetary sanction or forfeit levied against the office holder.

Under the Israeli Companies Law, exculpation, indemnification and insurance of office holders in a public company must be approved by the compensation committee and the board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders. See “Management—Approval of Related Party Transactions under Israeli Law—Fiduciary Duties of Directors and Executive Officers.”

Our amended and restated articles of association to be effective upon the closing of this offering will permit us to exculpate, indemnify and insure our office holders to the fullest extent permitted or to be permitted by the Israeli Companies Law.

We have obtained directors and officers liability insurance for the benefit of our office holders and intend to continue to maintain such coverage and pay all premiums thereunder to the fullest extent permitted by the Israeli Companies Law. In addition, prior to the closing of this offering, we intend to enter into agreements with each of our directors and executive officers exculpating them from liability to us for damages caused to us as a result of a breach of duty of care and undertaking to indemnify them, in each case, to the fullest extent permitted by our amended and restated articles of association to be effective upon the closing of this offering and Israeli law, including with respect to liabilities resulting from this offering to the extent that these liabilities are not covered by insurance.

Insofar as the indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to directors, officers or persons controlling the registrant, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities.

The following list sets forth information as to all securities we have sold since January 1, 2014, which were not registered under the Securities Act.

- In February 2014, we issued a series of unsecured subordinated convertible promissory notes to new investors and several of our existing shareholders These notes were amended in July 2014 and are referred to as the 2014 notes, as amended. Pursuant to the 2014 notes, we initially received an aggregate principal amount of $647,112, bearing interest at 6% per annum. The principal and all accrued interest on the 2014 notes was to be, on the consummation of the investment of a specified amount, automatically converted into either: (i) Series A preferred shares at a five percent (5%) discount on the price per share; or (ii) into ordinary shares at a fifteen percent (15%) discount on the price per share, on the date of conversion, as determined by our board of directors, all at the election of the 2014 note holders. On October 20, 2014, in lieu of such automatic conversion, we offered the holders of the 2014 notes the right to convert the 2014 notes into Series A preferred shares at a price per share of $19.00 and to receive warrants for no additional consideration, all as if they were subscribing to purchase securities pursuant to the 2014 Share Purchase Agreement. All of the 2014 note holders elected to convert the principal amounts of their notes on these terms immediately prior to the initial closing of the 2014 Share Purchase Agreement and waived their right to interest due or payable on the principal amount. All 2014 notes were cancelled.
- On October 20, 2014, June 28, 2015 and July 7 and 28, 2015, (i) we issued to certain investors and existing shareholders, 421,122 preferred shares for approximately $8.0 million, which will be converted into ordinary shares prior to this offering. We further granted such investors and existing shareholders 210,571 warrants to purchase preferred shares (to be converted into warrants to purchase ordinary shares prior to this offering) at an exercise price of $25.00 per share; and (ii) we issued to the 2014 notes holders 34,061 preferred shares and 17,031 warrants to purchase preferred shares (to be converted into ordinary shares and warrants prior to this offering) at an exercise price of $25.00 in exchange for their conversion of all principal and accrued interest due on the notes in an aggregate amount of $647,112.

- On November 12, 2015, we issued to Telormedix SA, or TMX, 216,000 preferred shares in consideration of any and all owned knowledge or data of TMX, whether registered or unregistered, including, but not limited to, intellectual property, goodwill, clinical studies, and licenses. These shares will be converted into ordinary shares prior to this offering. We also undertook to issue to TMX 87,000 additional preferred shares upon the achievement of certain milestones, which may be met in the future.
- On December 10, 2015, we issued to certain investors and existing shareholders 951,774 preferred shares, which will be converted into ordinary shares prior to this offering for $18.1 million.

The sales of the above securities were deemed to be exempt from registration under the Securities Act because they were made outside of the U.S. to certain non-U.S. individuals or entities pursuant to Regulation S or, in reliance upon the exemption from registration provided under Section 4(a)(2) of the Securities Act and the regulations promulgated thereunder.

Additionally, we granted share options to employees, directors, consultants and service providers under our 2010 Israeli Share Option Plan covering an aggregate of 832,859 ordinary shares, with exercise prices ranging from $0.01 to $21.53 per share. Such number excludes 9,000 restricted share units and 3,000 options, the grant of which is contingent upon the closing of this offering.

We claimed exemption from registration under the Securities Act for these option grants described above under Section 4(a)(2), Regulation S, or under Rule 701 of the Securities Act as transactions pursuant to written compensatory plans or pursuant to a written contract relating to compensation.

No underwriters were employed in connection with the securities issuances set forth in this Item.

Item 8. 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. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 9. 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 foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC 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 of 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; and

(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, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Ra'anana, Israel on this 7th day of April, 2017.

UROGEN PHARMA LTD.

By: /s/ Ron Bentsur
Ron Bentsur
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Ron Bentsur and Gary Titus, and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, 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, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Ron Bentsur Ron Bentsur	Chief Executive Officer *(Principal Executive Officer)*	April 7,2017
/s/ Gary Titus Gary Titus	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	April 7,2017
/s/ Arie Belldegrun Arie Belldegrun, M.D.	Chairman	April 7,2017
/s/ Stuart Holden Stuart Holden, M.D.	Director	April 7,2017
/s/ Chaim Hurvitz Chaim Hurvitz	Director	April 7,2017
/s/ Ran Nussbaum Ran Nussbaum	Director	April 7,2017
/s/ Pini Orbach Pini Orbach, Ph.D.	Director	April 7,2017
Urogen Pharma, Inc. By: /s/ Ron Bentsur Name: Ron Bentsur Title: President and CEO	AUTHORIZED U.S. REPRESENTATIVE	April 7, 2017

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EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
1.1	Form of Underwriting Agreement
3.1	Amended and Restated Articles of Association of the Registrant, adopted October 28, 2015
3.2	Form of Articles of Association of the Registrant to be effective upon closing of this offering
5.1*	Opinion of Hamburger Evron & Co., Israeli counsel to the Registrant, as to the validity of the ordinary shares
10.1	Form of Officer Indemnity and Exculpation Agreement
10.2	2010 Israeli Share Option Plan
10.3	Investors' Rights Agreement, dated September 18, 2014, as amended on October 1, 2015 and April 12, 2016, among the Registrant and the Registrant's shareholders
10.4	Asset Purchase Agreement, dated October 1, 2015, between the Registrant and Telormedix SA
10.5†	License Agreement, dated as of October 7, 2016, by and between the Registrant and Allergan Pharmaceuticals International Limited
10.6	Form of 2017 Equity Incentive Plan
10.7	Form of 2017 Israeli Equity Incentive Sub Plan to the 2017 Equity Incentive Plan
21.1	Subsidiary of the Registrant
23.1	Consent of Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, an independent registered public accounting firm
23.2*	Consent of Hamburger Evron & Co. (included in Exhibit 5.1)
24.1	Power of Attorney (included in signature pages of Registration Statement)
99.1	Consent of Dr. J. Gregory Wirth

* To be provided by amendment.
† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

Exhibit 1.1

UroGen Pharma Ltd.
[•] Ordinary Shares
(Par Value NIS 0.01 Per Share)
UNDERWRITING AGREEMENT

[Date], 2017

JEFFERIES LLC
COWEN AND COMPANY, LLC
As Representatives of the several Underwriters

c/o JEFFERIES LLC
520 Madison Avenue
New York, New York 10022

c/o COWEN AND COMPANY, LLC
599 Lexington Avenue, 27th Floor
New York, New York 10022

Ladies and Gentlemen:

Introductory. UroGen Pharma Ltd., a company organized under the laws of the State of Israel (the "**Company**"), proposes to issue and sell to the several underwriters named in Schedule A (the "**Underwriters**") an aggregate of [•] ordinary shares, par value NIS 0.01 per share (the "**Ordinary Shares**"). The [•] Ordinary Shares to be sold by the Company are called the "**Firm Shares**." In addition, the Company has granted to the Underwriters an option to purchase up to an additional [•] Ordinary Shares as provided in Section 2. The additional [•] Ordinary Shares to be sold pursuant to such option are called the "**Optional Shares**." The Firm Shares and, if and to the extent such option is exercised, the Optional Shares are collectively called the "**Offered Shares**." Jefferies LLC ("**Jefferies**") and Cowen and Company, LLC ("**Cowen**") have agreed to act as representatives of the several Underwriters (in such capacity, the "**Representatives**") in connection with the offering and sale of the Offered Shares. To the extent there are no additional underwriters listed on Schedule A, the term "Representatives" as used herein shall mean you, as Underwriters, and the term "Underwriters" shall mean either the singular or the plural, as the context requires.

The Representatives agree that up to [•] of the Firm Shares to be purchased by the Underwriters (the "**Directed Shares**") shall be reserved for sale to certain eligible directors, officers and employees of the Company and persons having business or other relationships with the Company and related persons (collectively, the "**Participants**"), as part of the distribution of the Offered Shares by the Underwriters (the "**Directed Share Program**") subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority, Inc. ("**FINRA**") and all other applicable laws, rules and regulations. The Directed Share Program shall be administered by Jefferies. To the extent that the Directed Shares are not orally confirmed for purchase by the Participants by the end of the first business day after the date of this Agreement, such Directed Shares may be offered to the public by the Underwriters as part of the public offering contemplated hereby.

The Company has prepared and filed with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form F-1 (File No. 333-[•]) which contains a form of prospectus to be used in connection with the public offering and sale of the Offered Shares. Such registration statement, as amended, including the financial statements, exhibits and schedules thereto, in

the form in which it became effective under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the "**Securities Act**"), including any information deemed to be a part thereof at the time of effectiveness pursuant to Rule 430A under the Securities Act, is called the "**Registration Statement**." Any registration statement filed by the Company pursuant to Rule 462(b) under the Securities Act in connection with the offer and sale of the Offered Shares is called the "**Rule 462(b) Registration Statement**," and from and after the date and time of filing of any such Rule 462(b) Registration Statement the term "Registration Statement" shall include the Rule 462(b) Registration Statement. The Company has prepared and filed, in accordance with Section 12 of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "**Exchange Act**"), a registration statement (as amended, the "**Exchange Act Registration Statement**") on Form 8-A (File No. [•]) under the Exchange Act to register, under Section 12(b) of the Exchange Act, the class of securities consisting of the Ordinary Shares. The prospectus, in the form first used by the Underwriters to confirm sales of the Offered Shares or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act is called the "**Prospectus.**" The preliminary prospectus, dated [•], describing the Offered Shares and the offering thereof is called the "**Preliminary Prospectus**," and the Preliminary Prospectus and any other prospectus in preliminary form that describes the Offered Shares and the offering thereof and is used prior to the filing of the Prospectus is called a "**preliminary prospectus.**" As used herein, "**Applicable Time**" is [•][a.m.][p.m.] (New York City time) on [•]. As used herein, "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, and "**Time of Sale Prospectus**" means the Preliminary Prospectus, together with the free writing prospectuses, if any, identified in Schedule B hereto and the pricing information set forth on Schedule B hereto. As used herein, **"Road Show"** means a "road show" (as defined in Rule 433 under the Securities Act) relating to the offering of the Offered Shares contemplated hereby that is a "written communication" (as defined in Rule 405 under the Securities Act). As used herein, "**Section 5(d) Written Communication**" means each written communication (within the meaning of Rule 405 under the Securities Act) that is made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company to one or more potential investors that are qualified institutional buyers ("**QIBs**") and/or institutions that are accredited investors ("**IAIs**"), as such terms are respectively defined in Rule 144A and Rule 501(a) under the Securities Act, to determine whether such investors might have an interest in the offering of the Offered Shares; "**Section 5(d) Oral Communication**" means each oral communication, if any, made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company made to one or more QIBs and/or one or more IAIs to determine whether such investors might have an interest in the offering of the Offered Shares; "**Marketing Materials**" means any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Offered Shares, including any roadshow or investor presentations made to investors by the Company (whether in person or electronically); and "**Permitted Section 5(d) Communication**" means the Section 5(d) Written Communication(s) and Marketing Materials listed on Schedule C attached hereto.

All references in this Agreement to (i) the Registration Statement, any preliminary prospectus (including the Preliminary Prospectus) or the Prospectus, or any amendments or supplements to the foregoing, or any free writing prospectus, shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**") and (ii) the Prospectus shall be deemed to include any "electronic Prospectus" provided for use in connection with the offering of the Offered Shares as contemplated by Section 3(o) of this Agreement.

In the event that the Company has only one subsidiary, then all references herein to "subsidiaries" of the Company shall be deemed to refer to such single subsidiary, mutatis mutandis.

The Company hereby confirms its agreements with the Underwriters as follows:

Section 1. Representations and Warranties of the Company. The Company hereby represents, warrants and covenants to each Underwriter, as of the date of this Agreement, as of the First Closing Date (as hereinafter defined) and as of each Option Closing Date (as hereinafter defined), if any, as follows:

(a) ***Compliance with Registration Requirements*****.** The Registration Statement has become effective under the Securities Act. The Exchange Act Registration Statement has become effective under the Exchange Act. The Company has complied, to the Commission's satisfaction, with all requests of the Commission for additional or supplemental information, if any. No stop order suspending the effectiveness of the Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by the Commission. The Company is a "foreign private issuer" within the meaning of Rule 405 under the Securities Act.

(b) ***Disclosure*****.** The Preliminary Prospectus and the Prospectus when filed complied, in all material respects, with the Securities Act and, if filed by electronic transmission pursuant to EDGAR, was identical (except as may be permitted by Regulation S-T under the Securities Act) to the copy thereof delivered to the Underwriters for use in connection with the offer and sale of the Offered Shares. Each of the Registration Statement and any post-effective amendment thereto, at the time it became or becomes effective, complied and will comply, in all material respects, with the Securities Act and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Applicable Time, the Time of Sale Prospectus (including any preliminary prospectus wrapper) did not, and at the First Closing Date (as defined in Section 2) and at each applicable Option Closing Date (as defined in Section 2), will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus (including any Prospectus wrapper), as of its date, did not, and at the First Closing Date and at each applicable Option Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the three immediately preceding sentences do not apply to statements in or omissions from the Registration Statement or any post-effective amendment thereto, or the Prospectus or the Time of Sale Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with written information relating to any Underwriter furnished to the Company in writing by the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the information described in Section 9(b) below. There are no contracts or other documents required to be described in the Time of Sale Prospectus or the Prospectus or to be filed as an exhibit to the Registration Statement which have not been described or filed as required.

(c) ***Free Writing Prospectuses; Road Show*****.** As of the determination date referenced in Rule 164(h) under the Securities Act, the Company was not, is not or will not be (as applicable) an "ineligible issuer" in connection with the offering of the Offered Shares pursuant to Rules 164, 405 and 433 under the Securities Act. Each free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply, in all material respects, with the requirements of Rule 433 under the Securities Act, including timely filing with the Commission or retention where required and legending, and each such free writing prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Offered Shares did not, does not and will not include any information that conflicted, conflicts or will conflict with the

information contained in the Registration Statement, the Prospectus or any preliminary prospectus and not superseded or modified. Except for the free writing prospectuses, if any, identified in Schedule B, and electronic road shows, if any, furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior written consent, which will not be unreasonably withheld, prepare, use or refer to, any free writing prospectus. Each Road Show, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) ***Directed Share Program*****.** (i) The Registration Statement, the Prospectus, the Time of Sale Prospectus and any preliminary prospectus comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus, Time of Sale Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program, and (ii) no authorization, approval, consent, license, order registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of foreign jurisdictions in which the Directed Shares are offered outside the United States. The Company has not offered, or caused the Underwriters to offer, any Offered Shares to any person pursuant to the Directed Share Program with the intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

(e) ***Distribution of Offering Material by the Company*****.** Prior to the later of (i) the expiration or termination of the option granted to the several Underwriters in Section 2, (ii) the completion of the Underwriters' distribution of the Offered Shares and (iii) the expiration of 25 days after the date of the Prospectus, the Company has not distributed and will not distribute any offering material in connection with the offering and sale of the Offered Shares other than the Registration Statement, the Time of Sale Prospectus, the Prospectus or any free writing prospectus reviewed and consented to by the Representatives, the free writing prospectuses, if any, identified on Schedule B hereto and any Permitted Section 5(d) Communications.

(f) ***The Underwriting Agreement*****.** This Agreement has been duly authorized, executed and delivered by the Company.

(g) ***Authorization of the Offered Shares*****.** The Offered Shares have been duly authorized for issuance and sale pursuant to this Agreement and, when issued and delivered by the Company against payment therefor pursuant to this Agreement, will be validly issued, fully paid and nonassessable, and the issuance and sale of the Offered Shares is not subject to any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase any securities of the Company that have not been duly waived or satisfied. Upon the sale and delivery to the Underwriters of the Offered Shares, and payment therefor, the Underwriters will acquire good, marketable and valid title to such Offered Shares, free and clear of all pledges, liens, security interests, charges, claims or encumbrances.

(h) ***No Applicable Registration or Other Similar Rights*****.** There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as have been duly waived.

(i) ***No Material Adverse Change.*** Except as otherwise disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, subsequent to the respective dates as of which information is given in the Registration Statement, the Time of Sale Prospectus and the Prospectus: (i) there has been no material adverse change, or any development that would reasonably be expected to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, business, properties, operations, assets, liabilities or prospects, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity (any such change being referred to herein as a "**Material Adverse Change**"); (ii) the Company and its subsidiaries, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent, including, without limitation, any losses or interference with its business from fire, explosion, flood, earthquakes, accident or other calamity, whether or not covered by insurance, or from any strike, labor dispute or court or governmental action, order or decree, that are material, individually or in the aggregate, to the Company and its subsidiaries, considered as one entity, or have entered into any material transactions not in the ordinary course of business; and (iii) there has not been any material decrease in the share capital or any material increase in any short-term or long-term indebtedness of the Company or its subsidiaries and there has been no dividend or distribution of any kind declared, paid or made by the Company or, except for dividends paid to the Company, by any of the Company's subsidiaries on any class of share capital, or any repurchase or redemption by the Company or any of its subsidiaries of any class of share capital.

(j) ***Independent Accountants.*** Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, which has expressed its opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus, is (i) an independent registered public accounting firm as required by the Securities Act and the rules of the Public Company Accounting Oversight Board ("**PCAOB**"), (ii) in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act and (iii) a registered public accounting firm as defined by the PCAOB whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(k) ***Financial Statements.*** The financial statements filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations, changes in shareholders' equity and cash flows for the periods specified. Such financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("**GAAP**") applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto and except in the case of unaudited financial statements, which are subject to normal and recurring year-end adjustments and do not contain certain footnotes as permitted by the applicable rules of the Commission. No other financial statements or supporting schedules are required to be included in the Registration Statement, the Time of Sale Prospectus or the Prospectus. The financial data set forth in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus under the captions "Prospectus Summary—Summary Consolidated Financial Data," "Selected Consolidated Financial Data" and "Capitalization" fairly present, in all material respects, the information set forth therein on a basis consistent with that of the audited and, if applicable, unaudited financial statements contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus. All disclosures contained in the Registration Statement, any preliminary prospectus or the Prospectus and any free writing prospectus that constitute non-GAAP financial measures (as defined by the rules and regulations under the Securities Act and the Exchange Act) comply with Regulation G under the Exchange Act and Item 10 of Regulation S-K under the Securities Act, as applicable. To the Company's knowledge, no person who has been suspended or barred from being associated with a registered public accounting firm, or who has failed to comply with any sanction pursuant to Rule 5300 promulgated by the PCAOB, has participated in or otherwise aided the preparation of, or audited, the financial statements, or other financial data filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(l) ***Company's Accounting System*****.** The Company makes and keeps accurate books and records and maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(m) ***Disclosure Controls and Procedures; Deficiencies in or Changes to Internal Control Over Financial Reporting*****.** The Company has established and maintains disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act), which (i) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; (ii) have been evaluated by management of the Company for effectiveness as of the end of the Company's most recent fiscal quarter; and (iii) are effective, in all material respects, to perform the functions for which they were established. Since the end of the Company's most recent audited fiscal year, there have been no significant deficiencies or material weakness in the Company's internal control over financial reporting (whether or not remediated) and no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is not aware of any change in its internal control over financial reporting that has occurred during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(n) ***Incorporation and Good Standing of the Company*****.** The Company has been duly organized and is validly existing as a company under the laws of the State of Israel and has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and to enter into and perform its obligations under this Agreement. The Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified or in good standing would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the condition (financial or other), earnings, business, properties, operation, assets, liabilities, or prospects of the Company and its subsidiaries, considered as one entity (any such effect being referred to herein as a "**Material Adverse Effect**"). The Company has not been designated as a "breaching company" (within the meaning of the Israeli Companies Law 5759-1999) by the Registrar of Companies of the State of Israel. The certificate of incorporation, articles of association and other organizational documents of the Company comply with the requirements of applicable Israeli law and are in full force and effect.

(o) ***Subsidiaries*****.** Each of the Company's "subsidiaries" (for purposes of this Agreement, as defined in Rule 405 under the Securities Act) has been duly incorporated or organized, as the case may be, and is validly existing as a corporation, partnership or limited liability company, as applicable, in good standing (where such qualification is required) under the laws of the jurisdiction of its incorporation or organization and has the power and authority (corporate or other) to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and

the Prospectus. Each of the Company's subsidiaries is duly qualified as a foreign corporation, partnership or limited liability company, as applicable, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All of the issued and outstanding capital stock or other equity or ownership interests of each of the Company's subsidiaries has been duly authorized and validly issued, is fully paid and nonassessable and is owned by the Company, directly or through subsidiaries, free and clear of any material security interest, mortgage, pledge, lien, encumbrance or adverse claim. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in or included as an exhibit to the Registration Statement. None of the outstanding shares of capital stock of any of the Company's subsidiaries were issued in violation of any preemptive rights or rights of first refusal or other similar rights to subscribe for or purchase securities of any such subsidiary. None of the subsidiaries of the Company is a "significant subsidiary" (as defined in Rule 405 under the Securities Act).

(p) ***Capitalization and Other Share Capital Matters*****.** The authorized, issued and outstanding share capital of the Company is as set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption "Capitalization" (other than for subsequent issuances, if any, pursuant to employee benefit plans, or upon the exercise of outstanding options or warrants, in each case described in the Registration Statement, the Time of Sale Prospectus and the Prospectus). The share capital of the Company, including the Ordinary Shares and the Offered Shares, conforms, in all material respects, to each description thereof contained in the Time of Sale Prospectus. All of the issued and outstanding Ordinary Shares have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with all federal, state and local, including Israeli, securities laws. None of the outstanding Ordinary Shares was issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. The form of certificates for the Ordinary Shares conforms to the corporate law of the jurisdiction of the Company's organization and to any requirements of the Company's organizational documents. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any share capital of the Company or any of its subsidiaries other than those described in the Registration Statement, the Time of Sale Prospectus and the Prospectus. The descriptions of the Company's equity compensation plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus accurately and fairly present, in all material respects, the information required to be shown with respect to such plans, arrangements, options and rights.

(q) ***Stock Exchange Listing*****.** The Offered Shares have been approved for listing on The NASDAQ Global Market ("**NASDAQ**"), subject only to official notice of issuance.

(r) ***Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required***. Neither the Company nor any of its subsidiaries is in violation of its articles of association or by-laws or similar organizational documents, as applicable, or is in default (or, with the giving of notice or lapse of time, would be in default) ("**Default**") under any indenture, loan, credit agreement, note, lease, license agreement, contract, franchise or other instrument (including, without limitation, any pledge agreement, security agreement, mortgage or other instrument or agreement evidencing, guaranteeing, securing or relating to indebtedness) to which the Company or any of its subsidiaries is a party or by which any of them may be bound, or to which any of their respective properties or assets are subject, including (A) any instrument of approval granted to any of them by the Israel Innovation Authority of the Israeli Ministry of Economy and Industry (the "**IIA**") or (B) any instrument of approval granted to any of them by the Investment Center of the Israeli Ministry of Economy and Industry (the "**Investment**

Center") (each, an "**Existing Instrument**"), except for such Defaults as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. The Company's execution, delivery and performance of this Agreement, consummation of the transactions contemplated hereby and by the Registration Statement, the Time of Sale Prospectus and the Prospectus and the issuance and sale of the Offered Shares (including the use of proceeds from the sale of the Offered Shares as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption "Use of Proceeds") (i) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the articles of association or by-laws or similar organizational documents, as applicable, of the Company or any of its subsidiaries (ii) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, or require the consent of any other party to, any Existing Instrument, except as would not reasonably be expected to have, individually or on the aggregate, a Material Adverse Effect, and (iii) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or any of its subsidiaries, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for, or in connection with, the Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Registration Statement, the Time of Sale Prospectus and the Prospectus, except (A) such as have been obtained or made by the Company and are in full force and effect under the Securities Act and such as may be required under applicable state securities or blue sky laws, FINRA, or NASDAQ and (B) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which Directed Shares are offered and (C) the filing of certain notices with the Registrar of Companies of the State of Israel regarding the issuance of the Offered Shares and the Company becoming a "public company" (within the meaning of the Israeli Companies Law 5759-1999) or the filing of certain information following the First Closing Date with the Investment Center and the IIA. Subject to the Underwriters' compliance with their obligations under Section 5(b) thereof, the Company is not required to publish a prospectus in the State of Israel under the laws of the State of Israel with respect to the offer or sale of the Offered Shares. As used herein, a "**Debt Repayment Triggering Event**" means any event or condition which gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(s) ***Compliance with Laws.*** The Company and its subsidiaries have been and are in compliance with all applicable laws, rules and regulations, except where failure to be so in compliance would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(t) ***No Material Actions or Proceedings*****.** There is no action, suit, proceeding, inquiry or investigation brought by or before any governmental entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which would be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect or materially and adversely affect the consummation of the transactions contemplated by this Agreement or the performance by the Company of its obligations hereunder; and the aggregate of all pending legal or governmental proceedings to which the Company or any such subsidiary is a party or of which any of their respective properties or assets is the subject, including ordinary routine litigation incidental to their business, if determined adversely to the Company or such subsidiary, would not reasonably be expected to have a Material Adverse Effect. No labor dispute with the employees of the Company or any of its subsidiaries, or with the employees of any principal supplier, manufacturer, customer or contractor of the Company, exists or, to the knowledge of the Company, is threatened or imminent, which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(u) ***Intellectual Property Rights*****.** The Company and its subsidiaries own, or have obtained valid and enforceable licenses for, the inventions, patent applications, patents, trademarks, trade names, service names, copyrights, trade secrets and other intellectual property (1) described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as being owned or licensed by them or (2) which are necessary for the conduct of their respective businesses as currently conducted or as currently proposed in the Registration Statement, the Time of Sale Prospectus or the Prospectus to be conducted (collectively, "**Intellectual Property**") except in the case of clause (2) where the failure to own, possess or acquire such rights would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, to the Company's knowledge: (i) there are no third parties who have rights to any Intellectual Property; and (ii) there is no infringement by third parties of any Intellectual Property. Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others: (A) challenging the Company's or its subsidiaries' rights in or to any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; (B) challenging the validity, enforceability or scope of any Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim; or (C) asserting that the Company or any of its subsidiaries infringes or otherwise violates, or would, upon the commercialization of any product or service described in the Registration Statement, the Time of Sale Prospectus or the Prospectus as under development, infringe or violate, any patent, trademark, trade name, service name, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding or claim. Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the Company and its subsidiaries have complied with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company or its subsidiaries, and all such agreements are in full force and effect. The product candidates described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as under development by the Company or its subsidiary fall within the scope of the claims of one or more patents or patent applications owned by, or exclusively licensed to, the Company or any such subsidiary.

(v) ***All Necessary Permits, etc*****.** The Company and its subsidiaries possess such valid and current certificates, authorizations or permits required by state, federal or foreign, including Israeli, regulatory agencies or bodies to conduct their respective businesses as currently conducted and as described in the Registration Statement, the Time of Sale Prospectus or the Prospectus ("**Permits**"), except where the failure to so possess would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries is in violation of, or in default under, any of the Permits or has received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any Permit, except as would not reasonably be expected to have a Material Adverse Effect. All information supplied by the Company with respect to the applications or notifications relating to grants and benefits from the IIA was true, correct and complete in all material respects when supplied to the appropriate authorities.

(w) ***Title to Properties*****.** The Company and its subsidiaries have good and marketable title to all of the real and personal property and other assets reflected as owned in the financial statements referred to in Section 1(k) above (or elsewhere in the Registration Statement, the Time of Sale Prospectus or the Prospectus), in each case free and clear of any security interests, mortgages, liens, encumbrances, equities, adverse claims and other defects, except as do not materially interfere with the use made or proposed to be made of such property and other assets by the Company. Except as disclosed in the

Registration Statement, the Time of Sale Prospectus and the Prospectus, the real property, improvements, equipment and personal property held under lease by the Company or any of its subsidiaries are held under valid and enforceable leases, with such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such real property, improvements, equipment or personal property by the Company or such subsidiary. The preceding sentence does not apply to any intellectual property rights, which are covered by the representations and warranties contained in Section 1(u) hereof.

(x) ***Tax Law Compliance*****.** The Company and its subsidiaries have filed all material United States (federal, state and local), Israeli and foreign (state and local) income and franchise tax returns or have properly requested extensions thereof and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them except as may be being contested in good faith and by appropriate proceedings or except where the failure to pay such taxes could not reasonably be expected to result in a Material Adverse Effect. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in Section 1(k) above in respect of all federal, state, Israeli and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its subsidiaries has not been finally determined. No transaction, stamp or other issuance or transfer taxes or duties, and assuming that the Underwriters are not otherwise subject to taxation in Israel due to Israeli tax residence or the existence of a permanent establishment in Israel, no capital gain, income, transfer, withholding or other tax or duty is payable in the State of Israel by or on behalf of the Underwriters to any taxing authority thereof or therein in connection with (i) the issuance, sale and delivery of the Offered Shares by the Company; (ii) the purchase from the Company, and the initial sale and delivery by the Underwriters of the Offered Shares to purchasers thereof; (iii) the holding or transfer of the Offered Shares; or (iv) the execution and delivery of this Agreement or any other document to be furnished hereunder.

(y) ***Insurance*****.** Each of the Company and its subsidiaries are insured by recognized and reputable institutions with policies in such amounts and with such deductibles and covering such risks as the Company reasonably believes are generally deemed customary for their businesses including, but not limited to, policies covering real and personal property owned or leased by the Company and its subsidiaries against theft, damage, destruction, acts of vandalism and earthquakes and policies covering the Company and its subsidiaries for clinical trial liability claims. The Company has no reasonable basis to believe that it or any of its subsidiaries will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has been denied any material insurance coverage which it has sought or for which it has applied.

(z) ***Compliance with Environmental Laws*****.** Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (i) neither the Company nor any of its subsidiaries is in violation of any Israeli or United States (federal, state or local) or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"); (ii) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements; (iii) there are no pending, or to

the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries; and (iv) to the knowledge of the Company, there are no events or circumstances existing as of the date hereof that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(aa) ***Benefit Plan Compliance.*** Each benefit, pension and compensation plan, agreement policy and arrangement that is maintained, administered or contributed to by the Company or any of its subsidiaries for current or former employees or directors of the Company or any of its subsidiaries, or with respect to which any of such entities would reasonably be expected to have any current, future or contingent liability or responsibility, has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, except as would not, individually or in the aggregate, be expected to have a Material Adverse Effect and except with respect to matters over which none of the Company or its subsidiaries have control; the Company and each of its subsidiaries have complied with all applicable statutes, orders, rules and regulations in regard to such plans, agreements, policies and arrangements, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; the fair market value of the assets of each such plan, agreement, policy and arrangement which is required or intended to be funded (excluding for these purposes accrued but unpaid contributions) exceeds the present value of all benefits accrued or earned or payments due under such plan, agreement, policy or arrangement determined using reasonable actuarial assumptions. The liabilities reflected on the relevant entity's financial statements with respect to each such plan, agreement, policy and arrangement which is not required or intended to be funded accurately reflects the present value of all benefits earned or accrued or payments due under such plan, agreement, policy or arrangement determined using reasonable actuarial assumptions.

(bb) ***Compliance with the Sarbanes-Oxley Act.*** The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance, in all material respects, with all provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (collectively, the "**Sarbanes-Oxley Act**") that are then in effect and with which the Company is required to comply as of the effectiveness of the Registration Statement, and is or will be taking steps to ensure that it will be in compliance, in all material respects, with other provisions of the Sarbanes-Oxley Act not currently in effect, upon the effectiveness of such provisions, or which will become applicable to the Company at all times after the effectiveness of the Registration Statement.

(cc) ***Company Not an "Investment Company."*** The Company is not, and will not be, either after receipt of payment for the Offered Shares or after the application of the proceeds therefrom as described under "Use of Proceeds" in the Registration Statement, the Time of Sale Prospectus or the Prospectus, required to register as an "investment company" under the Investment Company Act of 1940, as amended (the **"Investment Company Act")**. Neither the Company nor any subsidiary of the Company is, and, after giving effect to the offering and sale of the Offered Shares and the application of the proceeds thereof, neither of them will be, a "controlled foreign corporation" as defined by the Code.

(dd) ***No Price Stabilization or Manipulation; Compliance with Regulation M.*** Neither the Company nor any of its subsidiaries has taken, directly or indirectly, without giving effect to activities by the Representatives, any action designed to or that would be reasonably expected to cause or result in stabilization or manipulation of the price of the Offered Shares or of any "reference security" (as defined in Rule 100 of Regulation M under the Exchange Act (**"Regulation M"**)) with respect to the Offered Shares, whether to facilitate the sale or resale of the Offered Shares or otherwise, and has taken no action

which would directly or indirectly violate Regulation M. In addition, the Company has not engaged in any form of solicitation, advertising or other action constituting an offer or a sale under the Israeli Securities Law 5728-1968, as amended (the "**Israeli Securities Law**") and the regulations promulgated thereunder in connection with the transactions contemplated hereby which would require the Company to publish a prospectus in the State of Israel under the laws of the State of Israel.

(ee) ***Related-Party Transactions*****.** There are no business relationships or related-party transactions involving the Company or any of its subsidiaries or any other person required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus that have not been described as required.

(ff) ***FINRA Matters*****.** All of the information provided to the Underwriters or to counsel for the Underwriters by or on behalf of the Company, or to its knowledge, by or on behalf of its officers, directors and the holders of any securities (debt or equity) or options to acquire any securities of the Company in connection with the offering of the Offered Shares, is true, complete, correct, in all material respects, and compliant with FINRA's rules and any letters, filings or other supplemental information provided to FINRA by such parties pursuant to FINRA Rules or NASD Conduct Rules is true, complete and correct in all material respects.

(gg) ***Parties to Lock-Up Agreements***. The Company has furnished to the Underwriters a letter agreement substantially in the form attached hereto as Exhibit A (the "**Lock-up Agreement**") from each of the persons listed on Exhibit B and holders of substantially all of the Company's outstanding share capital. Such Exhibit B lists under an appropriate caption the directors, executive officers, key personnel and certain major shareholders of the Company. If any additional persons shall become directors or executive officers of the Company prior to the end of the Company Lock-up Period (as defined below), the Company shall cause each such person, prior to or contemporaneously with their appointment or election as a director or executive officer of the Company, to execute and deliver to the Representatives a Lock-up Agreement.

(hh) ***Statistical and Market-Related Data*****.** All statistical, demographic and market-related data included in the Registration Statement, the Time of Sale Prospectus or the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate in all material respects. To the extent required, the Company has obtained the written consent to the use of such data from such sources.

(ii) ***No Unlawful Contributions or Other Payments*****.** Neither the Company nor any of its subsidiaries nor, to the Company's knowledge, any employee or agent of the Company or any of its subsidiaries, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any applicable law or of the character required to be disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus.

(jj) ***Foreign Corrupt Practices Act.*** Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any domestic government official, "foreign official" (as defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (collectively, the "**FCPA**")) or employee from corporate funds; (iii) violated or is in violation of any provision of the FCPA or any applicable non-U.S. anti-bribery statute or regulation; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic government

official, such foreign official or employee; and the Company and its subsidiaries and, to the knowledge of the Company, the Company's affiliates have conducted their respective businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. The foregoing representation and warranty shall also be deemed given regarding laws of non-U.S. jurisdictions similar to the FCPA, including, without limitation, Sections 291 and 291A of the Israel Penal Law 5737-1977 and the rules and regulations thereunder.

(kk) ***Money Laundering Laws*****.** The operations of the Company and its subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ll) ***OFAC*****.** Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, after due inquiry, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"), the United Nations Security Council ("**UNSC**"), the European Union, Her Majesty's Treasury ("**HMT**"), or other relevant sanctions authority (collectively, "**Sanctions**"), nor is the Company located, organized or resident in a country or territory that is the subject of Sanctions; and the Company will not directly or indirectly use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, or any joint venture partner or other person or entity, for the purpose of financing the activities of or business with any person, or in any country or territory, that currently is the subject to any Sanctions, or in any other manner that will result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of such Sanctions.

(mm) ***Brokers*****.** Except pursuant to this Agreement, there is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder's fee or other fee or commission as a result of any transactions contemplated by this Agreement.

(nn) ***Submission to Jurisdiction***. The Company has the power to submit, and pursuant to Section 18 of this Agreement, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of each United States federal court and New York state court located in the Borough of Manhattan, in the City of New York, New York, U.S.A. (each, a "**New York Court**"), and the Company has the power to designate, appoint and authorize, and pursuant to Section 18 of this Agreement, has legally, validly, effectively and irrevocably designated, appointed and authorized an agent for service of process in any action arising out of or relating to this Agreement or the Offered Shares in any New York Court, and service of process effected on such authorized agent will be effective to confer valid personal jurisdiction over the Company as provided in Section 18 hereof.

(oo) ***No Rights of Immunity***. Except as provided by laws or statutes generally applicable to transactions of the type described in this Agreement, neither the Company nor any of its respective properties, assets or revenues has any right of immunity under the laws of the State of Israel, New York or United States law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any Israeli, New York or United States federal court, from service of process, attachment upon or prior judgment, or

attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement. To the extent that the Company or any of its respective properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company waives or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in Section 18 of this Agreement.

(pp) ***Forward-Looking Statements.*** Each financial or operational projection or other "forward-looking statement" (as defined by Section 27A of the Securities Act or Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Prospectus or the Prospectus (i) was so included by the Company in good faith and with reasonable basis after due consideration by the Company of the underlying assumptions, estimates and other applicable facts and circumstances and (ii) is accompanied by meaningful cautionary statements identifying those factors that could cause actual results to differ materially from those in such forward-looking statement. No such statement was made with the knowledge of an executive officer or director of the Company that it was false or misleading.

(qq) ***Emerging Growth Company Status.*** From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged in any Section 5(d) Written Communication or any Section 5(d) Oral Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**").

(rr) ***Communications.*** The Company (i) has not alone engaged in communications with potential investors in reliance on Section 5(d) of the Securities Act other than Permitted Section 5(d) Communications with the consent of the Representatives with entities that are QIBs or IAIs and (ii) has not authorized anyone other than the Representatives to engage in such communications; the Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Marketing Materials, Section 5(d) Oral Communications and Section 5(d) Written Communications; as of the Applicable Time, each Permitted Section 5(d) Communication, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Permitted Section 5(d) Communication, if any, does not, as of the date hereof, conflict with the information contained in the Registration Statement, the Preliminary Prospectus and the Prospectus; and the Company has filed publicly on EDGAR at least 15 calendar days prior to any "road show" (as defined in Rule 433 under the Securities Act), any confidentially submitted registration statement and registration statement amendments relating to the offer and sale of the Offered Shares.

(ss) ***Clinical Data and Regulatory Compliance.*** The preclinical studies and clinical trials being conducted or sponsored by the Company, and, to the knowledge of the Company, other studies (collectively, "**studies**") that are described in, or the results of which are referred to in, the Registration Statement, the Time of Sale Prospectus or the Prospectus were and, if still pending, are being conducted, in all material respects, in accordance with the protocols, procedures and controls designed and approved for such studies and with standard medical and scientific research procedures; each description of the results of such studies is accurate and complete, in all material respects, and fairly presents the data derived from such studies, and the Company and its subsidiaries have no knowledge as of the date hereof of any other studies the results of which are inconsistent with, or otherwise call into question, the results described or referred to in the Registration Statement, the Time of Sale Prospectuses or the Prospectus; the Company and its subsidiaries have made all such filings and obtained all such approvals as may be

required for the conduct of the studies by the Israeli Ministry of Health, the Food and Drug Administration of the U.S. Department of Health and Human Services or any committee thereof or from any other U.S., Israeli or foreign government or drug or medical device regulatory agency, or health care facility Institutional Review Board (collectively, the "**Regulatory Agencies**"), except where the failure to make such filing or obtain such approval would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; neither the Company nor any of its subsidiaries has received any notice of, or correspondence from, any Regulatory Agency requiring, and, to the knowledge of the Company, no Regulatory Agency has threatened to initiate, the termination, suspension or modification of any clinical trials that are described or referred to in the Registration Statement, the Time of Sale Prospectus or the Prospectus; and the Company and its subsidiaries have each operated and currently are in compliance, in all material respects, with all applicable rules, regulations and policies of the Regulatory Agencies.

(tt) ***No Contract Terminations.*** Neither the Company nor any of its subsidiaries has sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in any preliminary prospectus, the Prospectus or any free writing prospectus, or referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by the Company or any of its subsidiaries or, to the Company's knowledge, any other party to any such contract or agreement, which threat of termination or non-renewal has not been rescinded as of the date hereof.

(uu) ***Compliance with Israeli Law.*** The Company did not, during each of (i) the 12-month period preceding the date on which the Amendment No. [•] to the Registration Statement was filed with the Commission, and (ii) the 12-month period preceding the date hereof, offer or sell securities of the Company to any offerees in Israel that would be counted towards the number of offerees to whom offers or sales of securities may have been made pursuant to the provisions of Section 15A(a)(1) of the Israeli Securities Law and therefore Offered Shares may be offered and sold to up to 35 Non-Accredited Israeli Investors (as defined in Section 3(l) below). All corporate approvals on the part of the Company, including under Chapter 5 of Part VI of the Israeli Companies Law 5759-1999, for the offer or sale of Offered Shares and the transactions contemplated hereby have been obtained.

(vv) ***Dividend Restrictions*****.** No subsidiary of the Company is prohibited or restricted, directly or indirectly, from paying dividends to the Company, or from making any other distribution with respect to such subsidiary's equity securities or from repaying to the Company or any other subsidiary of the Company any amounts that may from time to time become due under any loans or advances to such subsidiary from the Company or from transferring any property or assets to the Company or to any other subsidiary.

Any certificate signed by any officer of the Company or any of its subsidiaries and delivered to any Underwriter or to counsel for the Underwriters in connection with the offering, or the purchase and sale, of the Offered Shares shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

The Company acknowledges that the Underwriters and, for purposes of the opinions to be delivered pursuant to Section 6 hereof, counsel to the Company and counsel to the Underwriters, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

Section 2. Purchase, Sale and Delivery of the Offered Shares.

(a) ***The Firm Shares.*** Upon the terms herein set forth, the Company agrees to issue and sell to the several Underwriters an aggregate of [•] Firm Shares. On the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Underwriters agree, severally and not jointly, to purchase from the Company the respective number of Firm Shares set forth opposite their names on Schedule A. The purchase price per Firm Share to be paid by the several Underwriters to the Company shall be $[•] per share.

(b) ***The First Closing Date.*** Delivery of certificates for the Firm Shares to be purchased by the Underwriters and payment therefor shall be made at the offices of Covington & Burling LLP (or such other place as may be agreed to by the Company and the Representatives) at 9:00 a.m. New York City time, on [•]**,** or such other time and date not later than 1:30 p.m. New York City time, on [•] as the Representatives shall designate by notice to the Company (the time and date of such closing are called the "**First Closing Date**"). The Company hereby acknowledges that circumstances under which the Representatives may provide notice to postpone the First Closing Date as originally scheduled include, but are not limited to, any determination by the Company or the Representatives to recirculate to the public copies of an amended or supplemented Prospectus or a delay as contemplated by the provisions of Section 11.

(c) ***The Optional Shares; Option Closing Date.*** In addition, on the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to an aggregate of [•] Optional Shares from the Company at the purchase price per share to be paid by the Underwriters for the Firm Shares. The option granted hereunder may be exercised at any time and from time to time in whole or in part upon notice by the Representatives to the Company, which notice may be given at any time within 30 days from the date of this Agreement. Such notice shall set forth (i) the aggregate number of Optional Shares as to which the Underwriters are exercising the option and (ii) the time, date and place at which certificates for the Optional Shares will be delivered (which time and date may be simultaneous with, but not earlier than, the First Closing Date; and in the event that such time and date are simultaneous with the First Closing Date, the term "**First Closing Date**" shall refer to the time and date of delivery of certificates for the Firm Shares and such Optional Shares). Any such time and date of delivery, if subsequent to the First Closing Date, is called an "**Option Closing Date**," shall be determined by the Representatives and shall not be earlier than three or later than five full business days after delivery of such notice of exercise. If any Optional Shares are to be purchased, each Underwriter agrees, severally and not jointly, to purchase the number of Optional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Optional Shares to be purchased as the number of Firm Shares set forth on Schedule A opposite the name of such Underwriter bears to the total number of Firm Shares. The Representatives may cancel the option at any time prior to its expiration by giving written notice of such cancellation to the Company.

(d) ***Public Offering of the Offered Shares.*** The Representatives hereby advise the Company that the Underwriters intend to offer for sale to the public, initially on the terms set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus, their respective portions of the Offered Shares as soon after this Agreement has been executed and the Registration Statement has been declared effective as the Representatives, in their sole judgment, have determined is advisable and practicable.

(e) ***Payment for the Offered Shares.*** (i) Payment for the Offered Shares shall be made at the First Closing Date (and, if applicable, at each Option Closing Date) by wire transfer of immediately available funds to the order of the Company.

(ii) It is understood that the Representatives have been authorized, for their own account and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Firm Shares and any Optional Shares the Underwriters have agreed to purchase. Each of Jefferies and Cowen, individually and not as the Representatives of the Underwriters, may (but shall not be obligated to) make payment for any Offered Shares to be purchased by any Underwriter whose funds shall not have been received by the Representatives by the First Closing Date or the applicable Option Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

(f) ***Delivery of the Offered Shares*****.** The Company shall deliver, or cause to be delivered, through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct, to the Representatives for the accounts of the several Underwriters the Firm Shares to be sold by them at the First Closing Date, against release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Company shall also deliver, or cause to be delivered, through the facilities of DTC unless the Representatives shall otherwise instruct, to the Representatives for the accounts of the several Underwriters, the Optional Shares the Underwriters have agreed to purchase from them at the First Closing Date or the applicable Option Closing Date, as the case may be, against the release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Offered Shares shall be registered in such names and denominations as the Representatives shall have requested at least two full business days prior to the First Closing Date (or the applicable Option Closing Date, as the case may be) and shall be made available for inspection on the business day preceding the First Closing Date (or the applicable Option Closing Date, as the case may be).

Section 3. Additional Covenants of the Company. The Company further covenants and agrees with each Underwriter as follows:

(a) ***Delivery of Registration Statement, Time of Sale Prospectus and Prospectus.*** The Company shall furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the second business day succeeding the date of this Agreement and during the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered Shares, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) ***Representative's Review of Proposed Amendments and Supplements.*** During the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), the Company (i) will furnish to the Representatives for review, a reasonable period of time prior to the proposed time of filing of any proposed amendment or supplement to the Registration Statement or the Exchange Act Registration Statement, a copy of each such amendment or supplement and (ii) will not amend or supplement the Registration Statement without the Representative's prior written consent, which consent shall not be unreasonably withheld. Prior to amending or supplementing any preliminary prospectus, the Time of Sale Prospectus or the Prospectus, the Company shall furnish to the Representatives for review, a reasonable amount of time prior to the time of filing or use of the proposed amendment or supplement, a copy of each such proposed amendment or supplement. The Company shall not file or use any such proposed amendment or supplement without the Representative's prior written consent, which consent shall not be unreasonably withheld. The Company shall file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) ***Free Writing Prospectuses.*** The Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of each proposed free writing prospectus or any amendment or supplement thereto prepared by or on behalf of, used by, or referred to by the Company, and the Company shall not file, use or refer to any proposed free writing prospectus or any amendment or supplement thereto without the Representatives' prior written consent, which consent shall not be unreasonably withheld. The Company shall furnish to each Underwriter, without charge, as many copies of any free writing prospectus prepared by or on behalf of, used by or referred to by the Company as such Underwriter may reasonably request. If at any time when a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered Shares (but in any event if at any time through and including the First Closing Date) there occurred or occurs an event or development as a result of which any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company conflicted or would conflict with the information contained in the Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at such time, not misleading, the Company shall promptly amend or supplement such free writing prospectus to eliminate or correct such conflict so that the statements in such free writing prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at such time, not misleading, as the case may be; *provided*, *however*, that prior to amending or supplementing any such free writing prospectus, the Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of such proposed amended or supplemented free writing prospectus, and the Company shall not file, use or refer to any such amended or supplemented free writing prospectus without the Representative's prior written consent, which consent shall not be unreasonably withheld.

(d) ***Filing of Underwriter Free Writing Prospectuses.*** The Company shall not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Underwriter that such Underwriter otherwise would not have been required to file thereunder.

(e) ***Amendments and Supplements to Time of Sale Prospectus.*** If the Time of Sale Prospectus is being used to solicit offers to buy the Offered Shares at a time when the Prospectus is not yet available to prospective purchasers, and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus so that the Time of Sale Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, the Company shall (subject to Section 3(b) and Section 3(c) hereof) promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the information contained in the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) ***Certain Notifications and Required Actions*****.** After the date of this Agreement, the Company shall promptly advise the Representatives in writing of: (i) the receipt of any comments of, or requests for additional or supplemental information from, the Commission; (ii) the time and date of any filing of any post-effective amendment to the Registration Statement or the Exchange Act Registration Statement or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus; (iii) the time and date that any post-effective amendment to the Registration Statement or the Exchange Act Registration Statement becomes effective; and (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or the Exchange Act Registration Statement or any post-effective amendment thereto or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus or the Prospectus or of any order preventing or suspending the use of any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus, or of any proceedings to remove, suspend or terminate from listing or quotation the Offered Shares from any securities exchange upon which they are listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order as soon as practicable. Additionally, the Company agrees that it shall comply with all applicable provisions of Rule 424(b), Rule 433 and Rule 430A under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under Rule 424(b) or Rule 433 were received in a timely manner by the Commission.

(g) ***Amendments and Supplements to the Prospectus and Other Securities Act Matters.*** If any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus so that the Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading, or if in the opinion of the Representatives or counsel for the Underwriters it is otherwise necessary to amend or supplement the Prospectus to comply with applicable law, the Company agrees (subject to Section 3(b) and Section 3(c) hereof) to promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law. Neither the Representative's consent to, nor delivery of, any such amendment or supplement shall constitute a waiver of any of the Company's obligations under Section 3(b) or Section 3(c).

(h) ***Blue Sky Compliance*****.** The Company shall cooperate with the Representatives and counsel for the Underwriters to qualify or register the Offered Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws or Canadian provincial securities laws (or other foreign laws) of those jurisdictions reasonably requested by the Representatives, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Offered Shares. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Representatives promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Offered Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its reasonable best efforts to obtain the withdrawal thereof at the earliest possible moment.

(i) ***Use of Proceeds*****.** The Company shall apply the net proceeds from the sale of the Offered Shares sold by it in the manner described under the caption "Use of Proceeds" in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(j) ***Earnings Statement.*** The Company will make generally available to its security holders and to the Representatives as soon as practicable an earnings statement (which need not be audited) covering a period of at least twelve months beginning with the first fiscal quarter of the Company commencing after the date of this Agreement that will satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(k) ***Continued Compliance with Securities Laws*****.** The Company will comply with the Securities Act and the Exchange Act so as to permit the completion of the distribution of the Offered Shares as contemplated by this Agreement**,** the Registration Statement, the Time of Sale Prospectus and the Prospectus. Without limiting the generality of the foregoing, the Company will, during the period when a prospectus relating to the Offered Shares is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), file on a timely basis with the Commission and NASDAQ all reports and documents required to be filed under the Exchange Act. Additionally, the Company shall report the use of proceeds from the issuance of the Offered Shares as may be required under Rule 463 under the Securities Act.

(l) ***Compliance with Israeli Securities Laws.*** The Company acknowledges, understands and agrees that the Offered Shares may be offered and sold in Israel only by the Underwriters and only to (i) such Israeli investors listed in the First Addendum to the Israeli Securities Law (the "**Addendum**") and who submit written confirmation to the Underwriters and the Company that such investor (A) falls within the scope of the Addendum, is aware of the meaning of same and agrees to it and (B) is acquiring the Offered Shares for investment for its own account or, if applicable, for investment for clients who are investors listed in the Addendum and in any event not as a nominee, market maker or agent and not with a view to, or for the resale in connection with, any distribution thereof ("**Israeli Accredited Investors**") and (ii) such number of offerees in Israel who are not Israeli Accredited Investors ("**Non-Accredited Israeli Investors**") that does not exceed 35. It is hereby acknowledged and agreed by the Company that any offer or sale of Offered Shares to Non-Accredited Israeli Investors by the Underwriters will be made in reliance on the representation and warranty of the Company in Section 1(uu) above.

(m) ***Directed Share Program*****.** In connection with the Directed Share Program, the Company will ensure that the Directed Shares will be restricted to the extent required by FINRA or its rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of the effectiveness of the Registration Statement. The Representatives will notify the Company as to which Participants will need to be so restricted. The Company will direct the transfer agent to place stop transfer restrictions upon such securities for such period of time. Should the Company release, or seek to release, from such restrictions any of the Directed Shares, the Company agrees to reimburse the Underwriters for any reasonable expenses (including, without limitation, legal expenses) they incur in connection with such release.

(n) ***Listing*****.** The Company will use its reasonable best efforts to list, subject to notice of issuance, the Offered Shares on NASDAQ.

(o) ***Company to Provide Copy of the Prospectus in Form That May be Downloaded from the Internet.*** If requested by the Representatives, the Company shall cause to be prepared and delivered, at its expense, within one business day from the effective date of this Agreement, to the Representatives an "**electronic Prospectus**" to be used by the Underwriters in connection with the offering and sale of the Offered Shares. As used herein, the term "**electronic Prospectus**" means a form of Prospectus, and any

amendment or supplement thereto, that meets each of the following conditions: (i) it shall be encoded in an electronic format, satisfactory to the Representatives, that may be transmitted electronically by the Representatives and the other Underwriters to offerees and purchasers of the Offered Shares; (ii) it shall disclose the same information as the paper Prospectus, except to the extent that graphic and image material cannot be disseminated electronically, in which case such graphic and image material shall be replaced in the electronic Prospectus with a fair and accurate narrative description or tabular representation of such material, as appropriate; and (iii) it shall be in or convertible into a paper format or an electronic format, satisfactory to the Representatives, that will allow investors to store and have continuously ready access to the Prospectus at any future time, without charge to investors (other than any fee charged for subscription to the Internet as a whole and for on-line time). The Company hereby confirms that it has included or will include in the Prospectus filed pursuant to EDGAR or otherwise with the Commission and in the Registration Statement at the time it was declared effective an undertaking that, upon receipt of a request by an investor or his or her representative, the Company shall transmit or cause to be transmitted promptly, without charge, a paper copy of the Prospectus.

(p) ***Agreement Not to Offer or Sell Additional Shares*****.** During the period commencing on and including the date hereof and continuing through and including the 180th day following the date of the Prospectus (such period being referred to herein as the "**Lock-up Period**"), the Company will not, without the prior written consent of the Representatives (which consent may be withheld in their sole discretion), directly or indirectly: (i) sell, offer to sell, contract to sell or lend any share capital of the Company, whether in the form of ordinary shares, preferred shares or otherwise ("**Share Capital**") or Related Securities (as defined below); (ii) effect any short sale, or establish or increase any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) or liquidate or decrease any "call equivalent position" (as defined in Rule 16a-1(b) under the Exchange Act) of any Share Capital or Related Securities; (iii) pledge, hypothecate or grant any security interest in any Share Capital or Related Securities; (iv) in any other way transfer or dispose of any Share Capital or Related Securities; (v) enter into any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of any Share Capital or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise; (vi) announce the offering of any Share Capital or Related Securities; (vii) file any registration statement under the Securities Act in respect of any Share Capital or Related Securities (other than as contemplated by this Agreement with respect to the Offered Shares); or (viii) publicly announce the intention to do any of the foregoing; *provided*, *however*, that the Company may (A) effect the transactions contemplated hereby, (B) issue Share Capital of the Company or options to purchase Share Capital of the Company, or issue Share Capital of the Company upon exercise of warrants, options, pursuant to any share option, share bonus or other equity incentive or employee share purchase plan or arrangement described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, but only if the holders of such capital stock of the Company or options agree in writing with the Underwriters not to sell, offer, dispose of or otherwise transfer any such Share Capital or options during such Lock-up Period, (C) issue Share Capital upon the conversion of outstanding preferred shares and convertible notes, or the exercise of outstanding warrants, each as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (D) file a Registration Statement on Form S-8 relating to the Share Capital granted pursuant to or reserved for issuance under any share-based compensation plans of the Company described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, and (E) issue Share Capital or Related Securities (assuming the conversion, exercise or exchange thereof into Share Capital) in an aggregate amount not to exceed 5.0% of the Company's outstanding Share Capital immediately following the completion of the offering of Offered Shares contemplated herein in connection with the acquisition by the Company of the securities, businesses, property or other assets of another person or entity or in connection with strategic partnering transactions; provided that, in the case of subclause (E), each recipient of such Share Capital or Related Securities shall have entered into a Lock-up Agreement with the Underwriters substantially in the form of Exhibit A hereto. For purposes of the foregoing, "**Related Securities**" shall mean any options or warrants

evidencing Share Capital of the Company or other rights to acquire Share Capital of the Company or any securities exchangeable or exercisable for or convertible into Share Capital of the Company, or to acquire other securities or rights ultimately exchangeable or exercisable for, or convertible into, Share Capital of the Company.

(q) ***Future Reports to the Representatives.*** During the period of five years hereafter, the Company will furnish to the Representatives, c/o Jefferies, at 520 Madison Avenue, New York, New York 10022, Attention: Global Head of Syndicate and c/o Cowen, at 599 Lexington Avenue, 27th Floor, New York, New York 10022, Attention: General Counsel: (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of such fiscal year and statements of income, shareholders' equity and cash flows for the year then ended and the opinion thereon of the Company's independent public or certified public accountants; (ii) as soon as practicable after the filing thereof, copies of each Annual Report on Form 20-F, Report on Form 6-K or other report filed by the Company with the Commission or any securities exchange; and (iii) as soon as available, copies of any report or communication of the Company furnished or made available generally to holders of its Ordinary Shares; *provided, however,* that the requirements of this Section 3(q) shall be satisfied to the extent that such reports, statements, communications, financial statements or other documents are available on EDGAR.

(r) ***Investment Limitation*****.** The Company shall not invest or otherwise use the proceeds received by the Company from its sale of the Offered Shares in such a manner as would require the Company or any of its subsidiaries to register as an investment company under the Investment Company Act.

(s) ***No Stabilization or Manipulation; Compliance with Regulation M*****.** The Company will not take, and will ensure that no controlled affiliate of the Company will take, directly or indirectly, without giving effect to activities by the Representatives any action designed to or that might cause or result in stabilization or manipulation of the price of the Offered Shares or any reference security with respect to the Offered Shares, whether to facilitate the sale or resale of the Offered Shares or otherwise, and the Company will, and shall cause each of its controlled affiliates to, comply with all applicable provisions of Regulation M. In addition, the Company will not engage in any form of solicitation, advertising or other action constituting an offer or a sale under the Israeli Securities Law and the regulations promulgated thereunder in connection with the transactions contemplated hereby, which would require the Company to publish a prospectus in the State of Israel under the laws of the State of Israel.

(t) ***Enforce Lock-Up Agreements*****.** During the Lock-up Period, the Company will use commercially reasonable efforts to enforce all agreements between the Company and any of its security holders that restrict or prohibit, expressly or in operation, the offer, sale or transfer of Ordinary Shares or Related Securities or any of the other actions restricted or prohibited under the terms of the form of Lock-up Agreement. In addition, the Company will direct the transfer agent to place stop transfer restrictions upon any such securities of the Company that are bound by such "lock-up" agreements for the duration of the periods contemplated in such agreements, including, without limitation, "lock-up" agreements entered into by the Company's officers and directors and security holders pursuant to Section 6(k) hereof.

(u) ***Company to Provide Interim Financial Statements*****.** Prior to the First Closing Date and each applicable Option Closing Date, the Company will furnish the Underwriters, as soon as practicable after they have been prepared by or are available to the Company, a copy of any unaudited interim financial statements of the Company for any period subsequent to the period covered by the most recent financial statements appearing in the Registration Statement and the Prospectus.

(v) ***Tax Indemnity***. The Company will indemnify and hold harmless the Underwriters against any documentary, stamp or similar issue tax, including any interest and penalties, on the creation, issue and sale of the Offered Shares and on the execution and delivery of this Agreement.

(w) ***Transfer Agent***. The Company agrees to maintain a transfer agent and, if necessary under the jurisdiction of organization of the Company, a registrar for the Ordinary Shares.

(x) ***Amendments and Supplements to Permitted Section 5(d) Communications.*** If at any time following the distribution of any Permitted Section 5(d) Communication, there occurred or occurs an event or development as a result of which such Permitted Section 5(d) Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and, upon the reasonable request of the Representatives, will promptly amend or supplement, at its own expense, such Permitted Section 5(d) Communication to eliminate or correct such untrue statement or omission.

(y) ***Emerging Growth Company Status.*** The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) the time when a prospectus relating to the Offered Shares is not required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) and (ii) the expiration of the Lock-Up Period (as defined herein).

(z) ***Announcement Regarding Lock-ups.*** The Company agrees to announce the Underwriters' intention to release any director or "officer" (within the meaning of Rule 16a-1(f) under the Exchange Act) of the Company from any of the restrictions imposed by any Lock-Up Agreement, by issuing, through a major news service, a press release in form and substance satisfactory to the Representatives promptly following the Company's receipt of any notification from the Representatives in which such intention is indicated, but in any case not later than the close of the third business day prior to the date on which such release or waiver is to become effective; provided, however, that nothing shall prevent the Representatives, on behalf of the Underwriters, from announcing the same through a major news service, irrespective of whether the Company has made the required announcement; and *provided*, *further*, that no such announcement shall be made of any release or waiver granted solely to permit a transfer of securities that is not for consideration and where the transferee has agreed in writing to be bound by the terms of a Lock-Up Agreement in the form set forth as Exhibit A hereto.

The Representatives, on behalf of the several Underwriters, may, in their sole discretion, waive in writing the performance by the Company of any one or more of the foregoing covenants or extend the time for their performance.

Section 4. Payment of Expenses. The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation (i) all expenses incident to the issuance and delivery of the Offered Shares (including all printing and engraving costs), (ii) all fees and expenses of the registrar and transfer agent of the Ordinary Shares, (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Offered Shares to the Underwriters, (iv) all fees and expenses of the Company's counsel, independent public or certified public accountants and other advisors, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), the Exchange Act Registration Statement, the Time of Sale Prospectus, the Prospectus, each free writing prospectus prepared by or on behalf of, used by, or referred to by the Company, and each preliminary prospectus, each Permitted Section 5(d) Communication, and all

amendments and supplements thereto, and this Agreement, (vi) all filing fees, reasonable attorneys' fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Offered Shares for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Representatives, preparing and printing a "Blue Sky Survey" or memorandum and a "Canadian wrapper", and any supplements thereto, advising the Underwriters of such qualifications, registrations and exemptions, (vii) the costs, fees and expenses incurred by the Underwriters in connection with determining their compliance with the rules and regulations of FINRA related to the Underwriters' participation in the offering and distribution of the Offered Shares, including any related filing fees and the legal fees of, and disbursements by, counsel to the Underwriters, in an amount not to exceed $30,000 (including the fees and expenses in clause (vi) above and excluding all filing fees), (viii) the costs and expenses of the Company relating to investor presentations on any "road show", any Permitted Section 5(d) Communication or any Section 5(d) Oral Communication undertaken in connection with the offering of the Offered Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives, employees and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, provided, however, that the Underwriters shall be responsible for the payment of fifty percent (50%) of the cost of any aircraft and other transportation chartered in connection with the road show and (ix) the fees and expenses associated with listing the Ordinary Shares on NASDAQ, and (x) all costs and expenses of the Underwriters, including the fees and disbursements of counsel for the Underwriters, in connection with matters related to the Directed Shares which are designated by the Company for sale to Participants, in an amount not to exceed $[•]. Except as provided in this Section 4 or in Section 7, Section 9 or Section 10 hereof, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel and their own travel and lodging expenses.

Section 5. Covenant of the Underwriters.

(a) Each Underwriter severally and not jointly covenants with the Company not to take any action that would result in the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not, but for such actions, be required to be filed by the Company under Rule 433(d).

(b) Compliance with Israeli Securities Laws. The Underwriters acknowledge, understand and agree that the Offered Shares may be sold in Israel by the Underwriters only to (i) Israeli Accredited Investors and (ii) the number of Non-Accredited Israeli Investors referenced in Section 3(l) above. The Company acknowledges and agrees that the offer or sale of Offered Shares by the Underwriters to the number of Non-Accredited Israeli Investors referenced in Section 3(l) above will be made in reliance on the representation and warranty of the Company in Section 1(uu) above.

Section 6. Conditions of the Obligations of the Underwriters. The respective obligations of the several Underwriters hereunder to purchase and pay for the Offered Shares as provided herein on the First Closing Date and, with respect to the Optional Shares, each Option Closing Date, shall be subject to the accuracy of the representations and warranties on the part of the Company set forth in Section 1 hereof as of the date hereof and as of the First Closing Date as though then made and, with respect to the Optional Shares, as of each Option Closing Date as though then made, to the timely performance by the Company of its covenants and other obligations hereunder, and to each of the following additional conditions:

(a) ***Comfort Letter*****.** On the date hereof, the Representatives shall have received from Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, independent registered public accountants for the Company, a letter dated the date hereof addressed to the Underwriters, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountant's "comfort letters" to underwriters, delivered according to Statement of Auditing Standards No. 72 (or any successor bulletin), with respect to the audited and unaudited financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus, and each free writing prospectus, if any.

(b) ***Compliance with Registration Requirements; No Stop Order; No Objection from FINRA.***

(i) The Company shall have filed the Prospectus with the Commission (including the information required by Rule 430A under the Securities Act) in the manner and within the time period required by Rule 424(b) under the Securities Act.

(ii) No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment to the Registration Statement or the Exchange Act Registration Statement or any post-effective amendment to the Exchange Act Registration Statement shall be in effect, and no proceedings for such purpose shall have been instituted or threatened by the Commission.

(iii) FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(c) ***No Material Adverse Change or Ratings Agency Change*****.** For the period from and after the date of this Agreement and through and including the First Closing Date and, with respect to any Optional Shares purchased after the First Closing Date, each Option Closing Date:

(i) in the judgment of the Representatives there shall not have occurred any Material Adverse Change; and

(ii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization" as that term is used in Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

(d) ***Opinion of U.S. Counsel for the Company*****.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Cooley LLP, U.S. counsel for the Company, dated as of such date, in form and substance reasonably satisfactory to the Underwriters.

(e) ***Opinion of Israeli Counsel for the Company*****.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Hamburger Evron & Co., Israeli counsel for the Company, dated as of such date, in form and substance reasonably satisfactory to the Underwriters.

(f) ***Opinion of IP Counsel for the Company.*** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Greenberg Traurig LLP, counsel for the Company with respect to intellectual property, dated as of such date, in form and substance reasonably satisfactory to the Underwriters.

(g) ***Opinion of U.S. Counsel for the Underwriters*****.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Covington & Burling LLP, U.S. counsel for the Underwriters in connection with the offer and sale of the Offered Shares, in form and substance satisfactory to the Underwriters, dated as of such date.

(h) ***Opinion of Israeli Counsel for the Underwriters*****.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Gornitzky & Co., Israeli counsel for the Underwriters in connection with the offer and sale of the Offered Shares, in form and substance satisfactory to the Underwriters, dated as of such date.

(i) ***Officers' Certificate*****.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received a certificate executed by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, dated as of such date, to the effect set forth in Section 6(b)(ii) and further to the effect that:

(i) for the period from and including the date of this Agreement through and including such date, there has not occurred any Material Adverse Change;

(ii) the representations, warranties and covenants of the Company set forth in Section 1 of this Agreement are true and correct with the same force and effect as though expressly made on and as of such date; and

(iii) the Company has complied with all the agreements hereunder and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such date.

(j) ***Bring-down Comfort Letter*****.** On each of the First Closing Date and each Option Closing Date the Representatives shall have received from Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, independent registered public accountants for the Company, a letter dated such date, in form and substance satisfactory to the Representatives, which letter shall: (i) reaffirm the statements made in the letter furnished by them pursuant to Section 6(a), except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the First Closing Date or the applicable Option Closing Date, as the case may be; and (ii) cover certain financial information contained in the Prospectus.

(k) ***Lock-Up Agreements.*** On or prior to the date hereof, the Company shall have furnished to the Representatives an agreement in the form of Exhibit A hereto from each of the persons listed on Exhibit B hereto and the holders of substantially all of the Company's outstanding share capital, and each such agreement shall be in full force and effect on each of the First Closing Date and each Option Closing Date.

(l) ***Rule 462(b) Registration Statement***. In the event that a Rule 462(b) Registration Statement is filed in connection with the offering contemplated by this Agreement, such Rule 462(b) Registration Statement shall have been filed with the Commission on the date of this Agreement and shall have become effective automatically upon such filing.

(m) ***Approval of Listing*****.** At the First Closing Date, the Offered Shares shall have been approved for listing on NASDAQ, subject only to official notice of issuance.

(n) ***Additional Documents***. On or before each of the First Closing Date and each Option Closing Date, the Representatives and counsel for the Underwriters shall have received such information, documents and opinions as they may reasonably request for the purposes of enabling them to pass upon

the issuance and sale of the Offered Shares as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Offered Shares as contemplated herein and in connection with the other transactions contemplated by this Agreement shall be satisfactory in form and substance to the Representatives and counsel for the Underwriters.

If any condition specified in this Section 6 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Representatives by notice from the Representatives to the Company at any time on or prior to the First Closing Date and, with respect to the Optional Shares, at any time on or prior to the applicable Option Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination.

Section 7. Reimbursement of Underwriters' Expenses. If this Agreement is terminated by the Representatives pursuant to Section 6, Section 11 or Section 12(i), (v) or (vi), or if the sale to the Underwriters of the Offered Shares on the First Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Representatives and the other Underwriters (or such Underwriters as have terminated this Agreement with respect to themselves), severally, upon demand for all out-of-pocket expenses that shall have been documented and reasonably incurred by the Representatives and the Underwriters in connection with the proposed purchase and the offering and sale of the Offered Shares, including, but not limited to, fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges.

Section 8. Effectiveness of this Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

Section 9. Indemnification.

(a) ***Indemnification of the Underwriters*****.** The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers, employees and agents, and each person, if any, who controls any Underwriter within the meaning of the Securities Act or the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter or such affiliate, director, officer, employee, agent or controlling person may become subject, under Section 15 of the Securities Act, Section 20 of the Exchange Act, other federal or state statutory law or regulation, or the laws or regulations of foreign jurisdictions where Offered Shares have been offered or sold or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or the 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 (ii) any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement to the foregoing), or the omission or alleged omission to state therein a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading; and to reimburse each Underwriter and each such affiliate, director, officer, employee, agent and controlling person for any and all documented expenses that are reasonably incurred (including the counsel fees and disbursements reasonably incurred) as such expenses are incurred by such

Underwriter or such affiliate, director, officer, employee, agent or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; *provided, however*, that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company by the Representatives in writing expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any such free writing prospectus, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the information described in Section 9(b) below. The indemnity agreement set forth in this Section 9(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) ***Indemnification of the Company, its Directors and Officers***. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, or any such director, officer or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or the 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 (ii) any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433 of the Securities Act, any Section 5(d) Written Communication or the Prospectus (or any such amendment or supplement) or the omission or alleged omission to state therein a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, such preliminary prospectus, the Time of Sale Prospectus, such free writing prospectus, such Section 5(d) Written Communication or the Prospectus (or any such amendment or supplement), in reliance upon and in conformity with information relating to such Underwriter furnished to the Company by the Representatives in writing expressly for use therein; and to reimburse the Company, or any such director, officer or controlling person for any and all expenses (including the fees and disbursements of counsel) as such expenses are incurred by the Company, or any such director, officer or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. The Company hereby acknowledges that the only information that the Representatives have furnished to the Company expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement to the foregoing) are the statements set forth in the first sentence of the third paragraph and the first and third sentences of the fourth paragraph under the caption “Underwriting,” the first two sentences of the first paragraph below the title “Commission and Expenses,” the first sentence of the first paragraph, the third sentence of the second paragraph [and the first sentence of the sixth paragraph] below the title “Stabilization” and the first sentence of the paragraph below the title “Electronic Distribution,” in each case under the caption “Underwriting” in the Preliminary Prospectus and the Prospectus. The indemnity agreement set forth in this Section 9(b) shall be in addition to any liabilities that each Underwriter may otherwise have.

(c) ***Notifications and Other Indemnification Procedures*****.** Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 9, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party to the extent the indemnifying party is not materially prejudiced as a proximate result of such failure and shall not in any event relieve the indemnifying party from any liability that it may have otherwise than on account of this indemnity agreement. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; *provided, however*, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 9 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the fees and expenses of more than one separate counsel (together with local counsel), representing the indemnified parties who are parties to such action), which counsel (together with any local counsel) for the indemnified parties shall be selected by the Representatives (in the case of counsel for the indemnified parties referred to in Section 9(a) above) or by the Company (in the case of counsel for the indemnified parties referred to in Section 9(b) above)) or (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party and shall be paid as they are incurred.

(d) ***Settlements*****.** The indemnifying party under this Section 9 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 9(c) hereof, the indemnifying party shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such indemnified party.

(e) ***Indemnification for Directed Shares.*** In connection with the offer and sale of the Directed Shares, the Company agrees, promptly upon a request in writing, to indemnify and hold harmless the Underwriters from and against any and all losses, liabilities, claims, damages and expenses incurred by any of them as a result of the failure of the Participants to pay for and accept delivery of Directed Shares which, by the end of the first business day following the date of this Agreement, were subject to a properly confirmed agreement to purchase. The Company agrees to indemnify and hold harmless the Underwriters and their respective affiliates, directors, officers, employees and agents, and each person, if any, who controls any of the Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which the Underwriters or such controlling person may become subject, which is (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program (including any prospectus wrapper material distributed in connection with the reservation and sale of Directed Shares) or caused by 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; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that such Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program. The indemnity agreement set forth in this paragraph shall be in addition to any liabilities that the Company may otherwise have.

Section 10. Contribution. If the indemnification provided for in Section 9 is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, from the offering of the Offered Shares pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Offered Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as the total proceeds from the offering of the Offered Shares pursuant to this Agreement (before deducting expenses) received by the Company, and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the front cover page of the Prospectus, bear to the aggregate initial public offering price of the Offered Shares as set forth on such cover. The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 9(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or

defending any action or claim. The provisions set forth in Section 9(c) with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 10; *provided, however,* that no additional notice shall be required with respect to any action for which notice has been given under Section 9(c) for purposes of indemnification.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 10.

Notwithstanding the provisions of this Section 10, no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions received by such Underwriter in connection with the Offered Shares underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 10 are several, and not joint, in proportion to their respective underwriting commitments as set forth opposite their respective names on Schedule A. For purposes of this Section 10, each affiliate, director, officer, employee and agent of an Underwriter and each person, if any, who controls an Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act shall have the same rights to contribution as the Company.

Section 11. Default of One or More of the Several Underwriters. If, on the First Closing Date or any Option Closing Date any one or more of the several Underwriters shall fail or refuse to purchase Offered Shares that it or they have agreed to purchase hereunder on such date, and the aggregate number of Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase does not exceed 10% of the aggregate number of the Offered Shares to be purchased on such date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Offered Shares by other persons, including any of the Underwriters, but if no such arrangements are made by such date, the other Underwriters shall be obligated, severally and not jointly, in the proportions that the number of Firm Shares set forth opposite their respective names on Schedule A bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as may be specified by the Representatives with the consent of the non-defaulting Underwriters, to purchase the Offered Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the First Closing Date or any Option Closing Date any one or more of the Underwriters shall fail or refuse to purchase Offered Shares and the aggregate number of Offered Shares with respect to which such default occurs exceeds 10% of the aggregate number of Offered Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Offered Shares are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other party except that the provisions of Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination. In any such case either the Representatives or the Company shall have the right to postpone the First Closing Date or the applicable Option Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

As used in this Agreement, the term "**Underwriter**" shall be deemed to include any person substituted for a defaulting Underwriter under this Section 11. Any action taken under this Section 11 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

Section 12. Termination of this Agreement. Prior to the purchase of the Firm Shares by the Underwriters on the First Closing Date, this Agreement may be terminated by the Representatives by notice given to the Company if at any time: (i) trading or quotation in any of the Company's securities shall have been suspended or limited by the Commission or by NASDAQ, or trading in securities generally on either NASDAQ or the New York Stock Exchange shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock exchanges; (ii) a general banking moratorium shall have been declared by any of federal, New York or Israeli authorities; (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States' or international political, financial or economic conditions, as in the judgment of the Representatives is material and adverse and makes it impracticable to market the Offered Shares in the manner and on the terms described in the Time of Sale Prospectus or the Prospectus or to enforce contracts for the sale of securities; (iv) in the judgment of Representatives there shall have occurred any Material Adverse Change; or (v) the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Representatives may interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured. Any termination pursuant to this Section 12 shall be without liability on the part of (a) the Company to any Underwriter, except that the Company shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Section 4 or Section 7 hereof or (b) any Underwriter to the Company; *provided, however,* that the provisions of Section 9 and Section 10 shall at all times be effective and shall survive such termination.

Section 13. No Advisory or Fiduciary Relationship. The Company acknowledges and agrees that (a) the purchase and sale of the Offered Shares pursuant to this Agreement, including the determination of the public offering price of the Offered Shares and any related discounts and commissions, is an arm's-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, or its shareholders, or its creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

Section 14. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of its or their partners, officers or directors or any controlling person, as the case may be, and, anything herein to the contrary notwithstanding, will survive delivery of and payment for the Offered Shares sold hereunder and any termination of this Agreement.

Section 15. Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Representative:

Jefferies LLC
520 Madison Avenue
New York, New York 10022
Facsimile: +1 646 619-4437
Attention: General Counsel

Cowen and Company, LLC
599 Lexington Avenue, 27th Floor
New York, NY 10022
Facsimile: (646) 562-1269
Attention: General Counsel

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

Covington & Burling LLP
620 Eighth Avenue
New York, New York 10018
Facsimile: +1 646 441-9111
Attention: Eric W. Blanchard and Brian K. Rosenzweig

Gornitzky & Co.
Zion Building, 45 Rothschild Blvd
Tel Aviv, 6578403, Israel
Facsimile: +972 3 560-6555
Attention: Chaim Friedland and Ari Fried

If to the Company:

UroGen Pharma Ltd.
9 Ha'Ta'asiya St.
Ra'anana 4365007, Israel
Facsimile: +972 77-4171410
Attention: Ron Bentsur and Gary Titus

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

Cooley LLP
1114 Avenue of the Americas
New York, New York 10036
Facsimile: +1 212 479-6275
Attention: Divakar Gupta

Hamburger Evron & Co.
The Museum Tower, 17th Floor
4 Berkowitz Street
Tel-Aviv 6423806, Israel
Facsimile: +972 3 607-4004
Attention: Yaron Sobol

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 16. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 11 hereof, and to the benefit of the affiliates, directors, officers, employees, agents and controlling persons referred to in Section 9 and Section 10, and in each case their respective successors, and no other person will have any right or obligation hereunder. The term "successors" shall not include any purchaser of the Offered Shares as such from any of the Underwriters merely by reason of such purchase.

Section 17. Partial Unenforceability. The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 18. Governing Law Provisions; Currency Provisions. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in such state. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("**Related Proceedings**") may be instituted in the federal courts of the United States of America located in the Borough of Manhattan in the City of New York or the courts of the State of New York in each case located in the Borough of Manhattan in the City of New York (collectively, the "**Specified Courts**"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "**Related Judgment**"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum. The Company and each other party not located in the United States has irrevocably appointed UroGen Pharma, Inc., which currently maintains a New York City office at 689 Fifth Avenue, 14th Floor, New York, NY 10022, United States of America, as its agent to receive service of process or other legal summons for purposes of any such suit, action or proceeding that may be instituted in any state or federal court in the Borough of Manhattan in the City of New York, United States of America.

With respect to any Related Proceeding, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled in the Specified Courts, and with respect to any Related Judgment, each party waives any such immunity in the Specified Courts or any other court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such Related Proceeding or Related Judgment, including, without limitation, any immunity pursuant to the United States Foreign Sovereign Immunities Act of 1976, as amended.

The obligations of the Company pursuant to this Agreement in respect of any sum due to any Underwriter shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day, following receipt by any Underwriter of any sum adjudged to be so due in such other currency, on which such Underwriter may in accordance with normal banking procedures purchase United States dollars with such other currency. If the United States dollars so

purchased are less than the sum originally due to such Underwriter in United States dollars hereunder, the Company agrees as a separate obligation and notwithstanding any such judgment, to indemnify such Underwriter against such loss. If the United States dollars so purchased are greater than the sum originally due to such Underwriter hereunder, such Underwriter agrees to pay to the Company an amount equal to the excess of the dollars so purchased over the sum originally due to such Underwriter hereunder.

All payments made by the Company to the Underwriters, their respective affiliates, directors, officers, employees and agents or to any person controlling any Underwriter under this Agreement, if any, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than taxes on net income) imposed or levied by or on behalf of the State of Israel or any political subdivision or any taxing authority thereof or therein unless the Company is or becomes required by law to withhold or deduct such taxes, duties, assessments or other governmental charges. In such event, the Company will pay such additional amounts as will result, after such withholding or deduction, in the receipt by each Underwriter, their respective affiliates, directors, officers, employees and each person controlling any Underwriter, as the case may be, of the amounts that would otherwise have been receivable in respect thereof.

Section 19. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

Each of the parties hereto acknowledges that it is a sophisticated business person who was adequately represented by counsel during negotiations regarding the provisions hereof, including, without limitation, the indemnification provisions of Section 9 and the contribution provisions of Section 10, and is fully informed regarding said provisions. Each of the parties hereto further acknowledges that the provisions of Section 9 and Section 10 hereof fairly allocate the risks in light of the ability of the parties to investigate the Company, its affairs and its business in order to assure that adequate disclosure has been made in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, each free writing prospectus and the Prospectus (and any amendments and supplements to the foregoing), as contemplated by the Securities Act and the Exchange Act.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

UROGEN PHARMA LTD.

By: _____
Name:
Title:

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representatives in New York, New York as of the date first above written.

JEFFERIES LLC
COWEN AND COMPANY, LLC
Acting individually and as Representatives
of the several Underwriters named in
the attached Schedule A.

JEFFERIES LLC

By: _____
Name:
Title:

COWEN AND COMPANY, LLC

By: _____
Name:
Title:

Schedule A

Underwriters	Number of Firm Shares to be Purchased
Jefferies LLC	[•]
Cowen and Company, LLC	[•]
[ ]	[•]
[ ]	[•]
[ ]	[•]
Total	[•]

Free Writing Prospectuses Included in the Time of Sale Prospectus

[None.]

Pricing Information

[ ]

Schedule C

Permitted Section 5(d) Communications

[None.]

Exhibit A

Form of Lock-up Agreement

, 2016

Jefferies LLC
Cowen and Company, LLC
As Representatives of the Several Underwriters

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

c/o Cowen and Company, LLC
599 Lexington Avenue, 27th Floor
New York, New York 10022

RE: UroGen Pharma Ltd. (the "**Company**")

Ladies & Gentlemen:

The undersigned is an executive officer or director of the Company or an owner of preferred and/or ordinary shares of the Company (collectively, the "**Shares**"), or of securities convertible into or exchangeable or exercisable for Shares. The Company proposes to conduct a public offering of ordinary shares of the Company (the "**Offering**") for which Jefferies LLC ("**Jefferies**") and Cowen and Company, LLC ("**Cowen**") will act as the representatives of the underwriters. The undersigned recognizes that the Offering will benefit each of the Company and the undersigned. The undersigned acknowledges that the underwriters are relying on the representations and agreements of the undersigned contained in this letter agreement in conducting the Offering and, at a subsequent date, in entering into an underwriting agreement (the "**Underwriting Agreement**") and other underwriting arrangements with the Company with respect to the Offering.

Annex A sets forth definitions for capitalized terms used in this letter agreement that are not defined in the body of this agreement. Those definitions are a part of this agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that, during the Lock-up Period, the undersigned will not (and will cause any Family Member not to), without the prior written consent of Jefferies and Cowen, which may withhold their consent in their sole discretion:

- Sell or Offer to Sell any Shares or Related Securities currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by the undersigned or such Family Member,
- enter into any Swap,
- 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 or Related Securities, or cause to be filed a registration statement, prospectus or prospectus supplement (or an amendment or supplement thereto) with respect to any such registration, or

- publicly announce any intention to do any of the foregoing.

The foregoing will not apply to the registration of the offer and sale of Shares, and the sale of Shares to the underwriters, in each case as contemplated by the Underwriting Agreement. In addition, the foregoing restrictions shall not apply to (i) the transfer of Shares or Related Securities by gift of the undersigned, (ii) the transfer of Shares or Related Securities by will, other testamentary document, or by intestate succession to a legal representative, heir or beneficiary of the undersigned, (iii) the transfer of Shares or Related Securities to a trust whose beneficiaries consist exclusively of one or more of the undersigned and/or a Family Member, (iv) transfers or dispositions of the undersigned's Shares or Related Securities to any corporation, partnership, limited liability company or other entity all of the beneficial ownership interests of which are held by the undersigned or any Family Member, (v) distributions of the undersigned's Shares or Related Securities to partners, members, stockholders or trust beneficiaries of the undersigned, or (vi) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, the transfer of Shares or Related Securities to another corporation, partnership, limited liability company, trust or other business entity that is a direct or indirect affiliate (as defined in Rule 405 promulgated under the Securities Act), or one or more limited partners, general partners, limited liability company members or stockholders of the undersigned; *provided*, *however*, that in any such case, it shall be a condition to such transfer that:

- each transferee executes and delivers to Jefferies and Cowen an agreement in form and substance satisfactory to Jefferies and Cowen stating that such transferee is receiving and holding such Shares and/or Related Securities subject to the provisions of this letter agreement and agrees not to Sell or Offer to Sell such Shares and/or Related Securities, engage in any Swap or engage in any other activities restricted under this letter agreement except in accordance with this letter agreement (as if such transferee had been an original signatory hereto), and
- prior to the expiration of the Lock-up Period, no public disclosure or filing under the Exchange Act by any party to the transfer (donor, donee, transferor or transferee) shall be required, or made voluntarily, reporting a reduction in beneficial ownership of Shares or Related Securities in connection with such transfer.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any Company-directed Shares the undersigned may purchase or otherwise receive in the Offering (including pursuant to a directed share program).

Furthermore, notwithstanding the restrictions imposed by this letter agreement, the undersigned may (i) exercise an option to purchase Shares granted under any equity incentive plan or stock purchase plan of the Company, provided that the Shares issued upon such exercise shall continue to be subject to the restrictions on transfer set forth in this letter agreement, (ii) establish a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of Shares, provided that such plan does not provide for any transfers of Shares during the Lock-up Period and the entry into such plan is not publicly disclosed, including in any filing under the Exchange Act, during the Lock-up Period, and (iii) transfer Shares or Related Securities (A) as forfeitures to satisfy tax withholding obligations of the undersigned in connection with the vesting or exercise of equity awards by the undersigned pursuant to the Company's equity incentive, stock option, stock bonus or other stock plan or arrangement described in the Prospectus, (B) pursuant to a net exercise or cashless exercise by the undersigned of outstanding equity awards pursuant to the Company's equity incentive, stock option, stock bonus or other stock plan or arrangement described in the Prospectus; provided that any Shares acquired upon the net exercise or cashless exercise of equity awards described in this clause (B) shall be subject to the restrictions set forth

in this letter agreement, (C) pursuant to a bona fide third-party tender offer for all outstanding shares of the Company, merger, consolidation or other similar transaction made to all holders of the Company's securities involving a change of control of the Company (including, without limitation, the entering into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of common stock or other such securities in connection with such transaction, or vote any common stock or other such securities in favor of any such transaction); provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, such securities held by the undersigned shall remain subject to the provisions of this letter agreement, (D) by operation of law, including pursuant to a domestic order or negotiated divorce settlement, or (E) that may be deemed to have occurred as a result of the conversion of the outstanding preferred shares of the Company into shares of common stock or the exercise of warrants; *provided that*, in the case of a transfer pursuant to clause (A) above, if the undersigned is required to make a filing under the Exchange Act reporting a reduction in beneficial ownership of Shares during the Lock-up Period, the undersigned shall include a statement in such report to the effect that the purpose of such transfer was to cover tax obligations of the undersigned in connection with such exercise; and *further provided that*, in the case of a transfer pursuant to clause (B) above, that no public disclosure or filing under the Exchange Act by any party to the transfer shall be required, or made voluntarily, during the Lock-up Period.

In addition, if the undersigned is an officer or director of the Company, (i) Jefferies and Cowen agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Shares, Jefferies and Cowen will notify the Company of the impending release or waiver, and (ii) the Company (in accordance with the provisions of the Underwriting Agreement) will announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Jefferies and Cowen hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if both (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter agreement that are applicable to the transferor to the extent and for the duration that such terms remain in effect at the time of the transfer.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of Shares and/or Related Securities held by the undersigned and the undersigned's Family Members, if any, except in compliance with the foregoing restrictions.

With respect to the Offering only, the undersigned waives any registration rights relating to registration under the Securities Act of the offer and sale of any Shares and/or any Related Securities owned either of record or beneficially by the undersigned, including any rights to receive notice of the Offering.

The undersigned confirms that the undersigned has not, and has no knowledge that any Family Member has, directly or indirectly, taken any action designed to or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares. The undersigned will not, and will cause any Family Member not to take, directly or indirectly, any such action.

Whether or not the Offering occurs as currently contemplated or at all depends on market conditions and other factors. The Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company and the underwriters.

The undersigned hereby represents and warrants that the undersigned has full power, capacity and authority to enter into this letter agreement. This letter agreement is irrevocable and will be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned.

If (i) the Company notifies Jefferies and Cowen in writing that it does not intend to proceed with the Offering, (ii) the Underwriting Agreement is not executed before December 31, 2017, (iii) the purchase of Firm Shares (as defined in the Underwriting Agreement) does not occur by December 31, 2017, or (iv) the Underwriting Agreement (other than the provisions thereof that survive termination) terminates or is terminated prior to payment for and delivery of the Firm Shares, then in each case, this letter agreement shall automatically, and without any action on the part of any other party, terminate and be of no further force and effect, and the undersigned shall automatically be released from the obligations under this letter agreement.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Signature

Printed Name of Person Signing

(Indicate capacity of person signing if signing as custodian or trustee, or on behalf of an entity)

Certain Defined Terms
Used in Lock-up Agreement

For purposes of the letter agreement to which this Annex A is attached and of which it is made a part:

- "**Call Equivalent Position**" shall have the meaning set forth in Rule 16a-1(b) under the Exchange Act.
- "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.
- "**Family Member**" shall mean the spouse of the undersigned, an immediate family member of the undersigned or an immediate family member of the undersigned's spouse, in each case living in the undersigned's household or whose principal residence is the undersigned's household (regardless of whether such spouse or family member may at the time be living elsewhere due to educational activities, health care treatment, military service, temporary internship or employment or otherwise). "**Immediate family member**" as used above shall have the meaning set forth in Rule 16a-1(e) under the Exchange Act.
- "Lock-up Period" shall mean the period beginning on the date hereof and continuing through the close of trading on the date that is 180 days after the date of the Prospectus (as defined in the Underwriting Agreement).
- "**Put Equivalent Position**" shall have the meaning set forth in Rule 16a-1(h) under the Exchange Act.
- "**Related Securities**" shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for or convertible into Shares.
- "**Securities Act**" shall mean the Securities Act of 1933, as amended.
- "**Sell or Offer to Sell**" shall mean to:
    - sell, offer to sell, contract to sell or lend,
    - effect any short sale or establish or increase a Put Equivalent Position or liquidate or decrease any Call Equivalent Position
    - pledge, hypothecate or grant any security interest in, or
    - in any other way transfer or dispose of,

  in each case whether effected directly or indirectly.
- "**Swap**" shall mean any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise.

Capitalized terms not defined in this Annex A shall have the meanings given to them in the body of this lock-up agreement.

Exhibit B

Directors, Executive Officers, Key Personnel, Major Shareholders and Others
Signing Lock-up Agreement

Executive Officers:
Ron Bentsur
Gil Hakim
Gary S. Titus

Key Personnel:
Mark P. Schoenberg

Directors:
Stuart Holden
Ran Nussbaum
Pini Orbach
Chaim I. Hurvitz
Arie Belldegrun

Major Shareholders and Others
Shirat HaChaim Ltd.
Bellco Capital, LLC
Arie Belldegrun MD. Inc., Profit Sharing Plan and Trust
ProQuest Investments IV, L.P.
Pontifax (Israel) III Limited Partnership
Pontifax Cayman III Limited Partnership
Arkin Communications Ltd.

Holders of substantially all of the Company’s outstanding share capital.

Exhibit 3.1

THE COMPANIES LAW, 5759-1999
A PRIVATE COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
UroGen Pharma Ltd.
P.C. 51-353762-1
(the "**Company**")

(Adopted on 28th day of October, 2015)

PRELIMINARY

1. **THE COMPANY'S NAME**

The Company's English name is **UroGen Pharma Ltd.** and in Hebrew: בע"מ יורוג'ן פארמה ..

2. **INTERPRETATION**

2.1. Unless the subject or the context otherwise requires: words and expressions defined in the Companies Law (as defined below) in force on the date when these Articles (as defined below) first became effective shall have the same meanings herein; words and expressions importing the singular shall include the plural and vice versa; words and expressions importing the masculine gender shall include the feminine gender; and words and expressions importing persons shall include bodies corporate.

2.2. The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.

2.3. The terms below shall have the meanings defined next to each term:

2.3.1. "**Affiliate**" of an entity shall mean a person or entity that controls or is controlled by or is under common control with the respective entity; the term "control" means the possession, directly or indirectly, of more than fifty percent (50%) of the voting power or the right to appoint more than fifty percent (50%) of the members of the Board of Directors or the right to receive more than fifty percent (50%) of the distributed profits;

2.3.2. "**Arkin**" shall mean Arkin Communications Ltd. and any Permitted Transferee thereof;

2.3.3. "**Articles**" shall mean these Articles of Association of the Company, as they may be amended or replaced from time to time;

2.3.4. "**as converted basis**" shall mean assuming the theoretical conversion of all outstanding Preferred Shares into Ordinary Shares, at the then applicable conversion ratio in accordance with the provisions of these Articles;

2.3.5. The "**Board**" or the "**Board of Directors**" shall mean the Board of Directors of the Company;

2.3.6. "**Bonus Shares**" shall mean shares issued by the Company for no consideration to Shareholders entitled to receive them on a pro rata basis;

2.3.7. The "**Companies Law**" shall mean the Companies Law, 5759-1999, and the regulations promulgated thereunder, or any law, which may replace or amend it, as shall be in force from time to time;

2.3.8. "**Chairman**" shall mean the chairman of the Board of Directors;

2.3.9. "**Dividend**" shall mean any asset transferred by the Company to a Shareholder in respect of such Shareholder's shares, whether in cash or in any other way, including a transfer without valuable consideration, but excluding Bonus Shares;

2.3.10. An "**Eligible Holder(s)**" shall mean any holder of the Company's shares whose shares constitute at least five percent (5%) of the Company's issued and outstanding share capital, on an as converted basis;

2.3.11. The "**Investors**" shall mean Arkin, Pontifax and all other holders of the Preferred Shares;

2.3.12. The "**IPO**" shall mean the consummation of the initial underwritten public offering of the Company's securities pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or any equivalent law of another jurisdiction;

2.3.13. "**Ordinary Majority**" shall mean a majority of the voting power attending and voting, in person or by proxy, at any General Meeting or class meeting, provided that the votes of shareholders abstaining at such meetings shall not be counted for the purpose of such majority;

2.3.14. "**Ordinary Resolution**" shall mean a resolution adopted at any General Meeting or class meeting by holders of an Ordinary Majority;

2.3.15. "**Ordinary Shares**" shall mean the Ordinary Shares of the Company, each of nominal value NIS 0.01;

2.3.16. The "**Original Issue Date**" shall mean as defined in Article 6.4.4;

2.3.17. The "**Original Purchase Price**" per share of Preferred A Shares shall mean US$ 19.00, and per share of Preferred A-1 Shares shall mean US$ 25.00, all subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Shares;

2.3.18. A "**Permitted Transferee**" of a Shareholder shall mean any of the following: (i) a Shareholder may transfer any of its shares to a transferee by operation of law; (ii) a corporate Shareholder may transfer any of its shares to any successor of such Shareholder by amalgamation, merger, or consolidation, or to any person, firm or corporation to which at the same time, substantially all the business and assets of such Shareholder are being sold, or to an Affiliate of such Shareholder; (iii) a Shareholder which is a limited or general partnership may transfer any of its shares to its partners and to affiliated partnerships managed by the same management company or managing (general) partner or by an entity that is Affiliated with such management company or managing (general) partner, (iv) an individual Shareholder may transfer his shares to a company in which such Shareholder

owns, directly or indirectly, more than ninety percent (90%) of the equity and voting capital, or to any Relative; (v) a Shareholder may transfer any of its shares to an acquirer that acquires in one transaction the entire outstanding share capital of the Company from the Shareholders, whether pursuant to Article 21 herein or Section 341 of the Companies Law or otherwise, including by way of a merger; and (vi) and any Shareholder may transfer shares to a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of such Shareholder and/or its Permitted Transferees and no power or control over the voting powers conferred by any shares are subject to the consent of any person other than the trustees of such Shareholder and/or its Permitted Transferees, and a trust may transfer the shares held in trust back to the Shareholder beneficiary, or to any Permitted Transferee of the beneficiary, *provided however*, that in any of the foregoing events, the Permitted Transferee shall have first assumed in writing, a copy of which was delivered to the Company, all the transferring shareholder's obligations and undertakings to the Company and to any other shareholders (which relate to the Company). All shares held (beneficially or of record), at the time of applicable calculation, by Shareholders who are Permitted Transferees of each other, shall be aggregated together for the purpose of determining the availability to such holders of any rights under these Articles, and such rights - to the extent they are determined to be available at such time - may be exercised (up to the maximum extent so determined to be available in the aggregate to all such Shareholders) by any, some or all of such Shareholders who are Permitted Transferees of each other who may apportion such rights as among themselves in any manner they deem appropriate;

2.3.19. "**Pontifax**" shall mean Pontifax (Cayman) III L.P. and Pontifax (Israel) III L.P. (collectively referred to as "**Pontifax**") and Permitted Transferees thereof, provided however that any right of Pontifax designated in these Articles may be exercised by the Pontifax entity, or entities, that hold a majority in interest of the Company securities held by all of the Pontifax entities;

2.3.20. "**Preferred A Shares**" shall mean the Series A Preferred Shares of the Company, nominal value NIS 0.01 each, having the rights and obligations set forth in these Articles

2.3.21. "**Preferred A-1 Shares**" shall mean the Series A-1 Preferred Shares of the Company, nominal value NIS 0.01 each, having the rights and obligations set forth in these Articles.;

2.3.22. "**Preferred Shares**" shall mean the Preferred A Shares and the Preferred A-1 Shares;

2.3.23. A "**Qualified Public Offering**" shall mean as defined in Article 6.4.2 below;

2.3.24. A "**Qualified Transaction**" shall mean either of (i) an IPO; or (ii) any consolidation, merger or reorganization of the Company with, or into, another corporation or entity, in which the shareholders of the Company immediately prior to the transaction hold less than fifty percent (50%) or more of the outstanding shares of the surviving entity due to their holdings in the Company;

2.3.25. "**Register of Members**" shall mean the register of shareholders that must be maintained pursuant to Sections 127 and 130 of the Companies Law;

2.3.26. A "**Relative**" shall mean any lineal ascendant or descendant of an individual Shareholder, including without limitation any descendant of the Shareholder recognized by law as his descendant, his spouse, any ascendant or descendant of said Shareholder's spouse, or the spouse of any of said Shareholder's ascendants or descendants;

2.3.27. "**Repurchase**" shall mean the acquiring or the financing of the acquiring, directly or indirectly, by the Company or by a subsidiary of the Company or other corporate entity under the Company's control, of shares of the Company or securities convertible into or exercisable for shares of the Company, or the redemption of redeemable securities that are part of the Company's share capital pursuant to Section 312(d) of the Companies Law, including an obligation to do any of the same, and all provided that the seller is not the Company itself or another corporate entity fully owned by the Company;

2.3.28. A "**Shareholder**" shall mean any person registered in the Register of Shareholders of the Company as the owner of shares of the Company, at any given time;

2.3.29. "**Special Resolution**" shall mean any resolution of the General Meeting which is not an Ordinary Resolution adopted at any General Meeting or class meeting by holders of the Ordinary Majority;

2.3.30. The "**Transfer**" of shares shall mean any one of the following: direct or indirect, sale, assignment, transfer, pledge, hypothecation, grant of any security interest, mortgage or disposition of, by gift or otherwise, of all or any of the securities of the Company, or in any way the encumbrance of all or any of the shares of the Company, or attempted disposal of all or any portion of a security, or any interest or rights in a security. "**Transferred**" means the accomplishment of a Transfer, and "**Transferee**" means the recipient of a Transfer;

2.3.31. "**written**" or "**in writing**" shall include print, lithography, and any other legible form of writing or impression of letters, digits or other symbols in a visible or visually decipherable form, including material transmitted by letter, telex, or cable, or by facsimile or by electronic mail or by any other means of electronic communication producing a legible copy of the transmitted material.

3. PRINCIPAL OBJECTIVES, PURPOSE LIMITED LIABILITY AND RESTRICTIONS

3.1. Principal Objective. The principal objectives for which the Company is founded are:

3.1.1. To develop and commercialize medical know-how and products in the field of a novel drug delivery systems; and

3.1.2. In general: to engage in any business, commercial or other activity of any kind and to have the legal capacity for any right or obligation and for the execution of any legal act.

3.2. Donations. The Company may, from time to time, make charitable donations to worthy causes, as the Board may determine in its discretion, even if such donations are not made within the framework of the Company's business considerations.

3.3. Limitation of Liability. The liability of the members is limited to the unpaid portion of the nominal value of each share to which they may from time to time subscribe.

3.4. Restrictions. The Company is a private company and accordingly the following restrictions shall apply:

3.4.1. any invitation to the public to subscribe for any shares or debentures or debenture stock of the Company is hereby prohibited; and

3.4.2. the right to transfer shares in the Company shall be restricted as hereinafter provided.

SHARE CAPITAL

4. **INITIAL SHARE CAPITAL**

The registered share capital of the Company is One Hundred Thousand New Israeli Shekels (NIS 100,000) divided into: (i) Five Million Five Hundred Thousand (5,500,000) Ordinary Shares each of a nominal value of One Agorah (NIS 0.01); (ii) Three Million Five Hundred Thousand (3,500,000) Preferred A Shares each of a nominal value of One Agorah (NIS 0.01); and (ii) One Million (1,000,000) Preferred A-1 Shares each of a nominal value of One Agorah (NIS 0.01).

The powers, preferences, rights, restrictions, and other matters relating to the Ordinary Shares and the Preferred Shares are as set forth in the following Articles.

5. **ORDINARY SHARES**

5.1. The Ordinary Shares shall rank pari passu between them.

5.2. The holders of Ordinary Shares are entitled: (i) to receive notices of, and to attend, all General Meetings of the Shareholders; (ii) to one vote for each share held at all Shareholders' meetings for all purposes; and (iii) subject to the rights and privileges of the Preferred Shares, to share equally, on a per pro-rata share basis, in such share Dividends, Bonus Shares, profits or distributions as may be declared by the Board out of funds legally available therefor, and upon liquidation or dissolution - in the assets of the Company legally available for distribution to shareholders after payment of all debts and other liabilities of the Company (in each case, proportionally to the number of Ordinary Shares outstanding).

6. **PREFERRED SHARES**

6.1. Voting Rights. Except as otherwise provided in Article 34 hereof, and except as otherwise required by law, with respect to all matters submitted to a vote of holders of Ordinary Shares generally, the holder of each Preferred Share shall: (i) be entitled to the number of votes which is equal to the number of Ordinary Shares into which such Preferred Share is then convertible pursuant to Article 6.4 hereof, (ii) have voting rights and powers equal to the voting rights and powers of any holder of Ordinary Shares and shall vote as a single class with the holders of Ordinary Shares; and (iii) be entitled to notice of any meeting of the Shareholders. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which Preferred Shares held by each holder could then be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

6.2. Series A Accruing Dividends. From and after the date of the issuance of any Preferred Shares, dividends at the rate per annum of eight percent (8%) of the Original Purchase Price per share shall accrue on such Preferred Shares (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar

recapitalization with respect to the Preferred Shares) (the "**Accruing Dividends**"). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided however, that except as set forth in the following sentence of this Sub-article 6.2 such Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Company shall be under no obligation to pay such Accruing Dividends.

6.3. Liquidation and Dividend Preference. Subject to the applicable law, in the event of: (i) any dissolution or liquidation of the Company; (ii) any bankruptcy or insolvency proceeding under any bankruptcy or insolvency or similar law, whether voluntary or involuntary, is properly commenced by or against the Company; (iii) a receiver or liquidator has been appointed to all or substantially all of the Company's assets, (iv) a Deemed Liquidation (as defined below) event (each of the foregoing, a "**Liquidation Event**"), or (v) distribution of Dividends, then any Dividends, assets or proceeds of the Company available for distribution to the Shareholders ("**Distributable Proceeds**"), shall be distributed among the Shareholders pursuant to the following order of preference:

6.3.1. First, the holders of the Preferred Shares shall be entitled to receive out of the Distributable Proceeds, prior to and in preference to any distribution to any of the holders of the Ordinary Shares an amount per Preferred Share equal to the higher of: (i) the Original Purchase Price plus any Accruing Dividends, accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon less any amount of Distributable Proceeds previously paid with regard to such shares (collectively, the "**Preferential A Amount**") and (ii) such amount per share as would have been payable had all Preferred Shares been converted into Ordinary Shares pursuant to Article 6.4 immediately prior to such Liquidation Event (the amount payable pursuant to this sentence, the "**Series A Liquidation Amount**").

6.3.2. If the assets (or securities) available for distribution shall be insufficient to permit the payment to holders of the Preferred Shares of the full Preferential A Amount, then the entire assets (or securities) available for distribution shall be distributed pro-rata among the holders of the Preferred Shares in proportion to the Preferential A Amount each such holder is otherwise entitled to receive.

6.3.3. Second, after payment in full of the Series A Liquidation Amount, the remaining assets of the Company available for distribution to the Company's shareholders shall be distributed among the holders of Ordinary Shares, pro rata based on the number of shares held by each such holder.

6.3.4. Any of the following events shall be deemed a Liquidation Event for the purposes of Article 6.2 (each a "**Deemed Liquidation**"): a transaction or a series of related transactions which entails (i) any sale of all, or substantially all, of the Company's assets or technology, including by way of granting an exclusive license that is equivalent to the sale of all, or substantially all of the Company's intellectual property; (ii) the consolidation, merger, or reorganization of the Company into any other entity, in which the Company is not the surviving entity; except, in each case, any transaction in which the shareholders of the Company prior to the transaction hold more than fifty percent (50%) of the outstanding share capital of the Company or the surviving company, as applicable, immediately following such transaction; provided, however, that shares of the surviving entity held by shareholders of the Company acquired by means other than the exchange or conversion of the shares of this Company shall not be used in determining if the shareholders of the Company own more than fifty percent (50%) of the outstanding share capital of the

surviving entity (or its parent), but shall be used for determining the total outstanding share capital of the surviving entity); and (iii) any sale of all, or substantially all, of the Company's issued and outstanding share capital.

6.4. Conversion

The holders of Preferred Shares shall have the following conversion rights (the "**Conversion Rights**"):

6.4.1. **Optional Conversion**. Each Preferred Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share into such number of fully paid shares of Ordinary Shares as is determined by dividing the Original Purchase Price by the conversion price applicable to such share, determined as hereinafter provided (the "**Conversion Price**"), in effect on the date that the certificate is surrendered for conversion. The initial Conversion Price of the Preferred Shares shall be the Original Purchase Price; and *provided*, *however*, that the Conversion Price for the Preferred Shares shall be subject to adjustment as set forth in this Article 6.4.

6.4.2. **Automatic Conversion**. Each Preferred Share shall automatically be converted into Ordinary Shares at the Conversion Price at the time in effect for such Preferred Share, on the consummation of any one of the following events:

i. upon the closing of an IPO, where the Company's pre-money valuation is US$ 75,000,000 or more with net proceeds to the Company of US$ 25,000,000 or more (a **"Qualified Public Offering"**);

ii. in the event that holders of a majority of sixty percent (60%) of the then outstanding Preferred Shares, voting as a single class, consent to such conversion;

6.4.3. **Mechanism of Conversion**. Before any holder of Preferred Shares shall be entitled to convert the same into Ordinary Shares, the holder shall surrender the certificate or certificates therefore, duly-endorsed, at the office of the Company or of any transfer agent for the Preferred Shares, and shall give notice to the Company at its principal corporate office of the election to convert the same and shall state therein the name or names in which the certificate or certificates for the Ordinary Shares are to be issued. Upon conversion of only a portion of the number of shares covered by a certificate representing Preferred Shares surrendered for conversion, the Company shall issue and deliver, at the expense of the Company, a new certificate covering the number of Preferred Shares representing the unconverted portion of the certificate so surrendered. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid and a cash amount in respect of any fractional interest in a share of Ordinary Shares as provided in Article 6.4.4 below. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Preferred Shares to be converted, and the person or persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares as of such date. If the conversion is in connection with an underwritten offering of securities pursuant to an IPO, the conversion may, at the option of any holder tendering Preferred Shares for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Ordinary Shares upon such conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such sale of securities.

6.4.4. **Conversion Price Adjustments of Preferred Shares for Certain Dilutive Issuances**.

The conversion price of the Preferred Shares shall be subject to adjustment from time to time as follows:

i. After the date upon which any Preferred Shares were first issued (the **"Original Issue Date"**) and until IPO, if the Company shall issue any Additional Shares (as defined below) without consideration or for consideration per share less than the applicable Conversion Price for the Preferred Shares in effect immediately prior to the issuance of such Additional Shares (a "**Dilutive Issuance**"), then the applicable Conversion Price of the Preferred Shares in effect immediately prior to each such issuance shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following broad-based weighted average formula:

$$CP_2 = CP_1 * [(A + B) \div (A + C)]$$

For purposes of the foregoing formula, the following definitions shall apply:

CP2 shall mean the applicable conversion price in effect immediately after such issue of Additional Shares;

CP1 shall mean the applicable conversion price in effect immediately prior to such issue of Additional Shares;

"**A**" shall mean the number of Ordinary Shares outstanding immediately prior to such issue of Additional Shares on an issued but as converted basis, treating for this purpose as outstanding all Ordinary Shares issuable upon conversion of all issued Preferred Shares.

"**B**" shall mean the number of Ordinary Shares that would have been issued if such Additional Shares had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Company in respect of such issue by CP1).

"**C**" shall mean the number of such Ordinary Shares issued (or deemed issued on the conversion of such Additional Shares into Ordinary Shares) in such transaction.

ii. In the case of the issuance of Additional Shares for cash, the consideration shall be deemed to be the amount of cash paid therefor. The consideration for any Additional Shares shall be taken into account at the U.S. Dollar equivalent thereof, on the day such Additional Shares are issued, or deemed to be issued.

iii. In the case of the deemed issuance (as defined in Article 6.4.4vii below) of Additional Shares, the consideration for the Additional Shares shall be deemed to be the aggregate consideration received by the Company on the issuance of the securities themselves, taken together with any additional consideration (if any) to be paid to the Company on the exercise or conversion of the securities.

iv. In the case of the issuance of the Additional Shares for consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors in good-faith.

v. In the case of the issuance of options to purchase or rights to subscribe for Ordinary Shares, or securities by their terms convertible into or exchangeable for Ordinary Shares or options to purchase or rights to subscribe for such convertible or exchangeable securities, the aggregate maximum number of Ordinary Shares deliverable upon exercise (assuming the satisfaction of any conditions to exerciseability, including without limitation, the passage of time, but without taking into account potential anti-dilution adjustments) of such options to purchase or rights to subscribe for Ordinary Shares, or upon the exchange or conversion of such security, shall be deemed to have been issued at the time of the issuance of such options, rights or securities, at a consideration equal to the consideration (determined in the manner provided in Sub-article 6.4.4i - 6.4.4iii, received by the Company upon the issuance of such options, rights or securities plus any additional consideration payable to the Company pursuant to the term of such options, rights or securities (without taking into account potential anti-dilution adjustments) for the Ordinary Shares covered thereby; *provided*, *however*, that if any options as to which an adjustment to the Conversion Price has been made pursuant to this Sub-Article 6.4.4 expire without having been exercised, then the Conversion Price shall be readjusted as if such options had not been issued (without any effect, *however*, on adjustments to the Conversion Price as a result of other events described in this Article).

vi. "**Additional Shares**" shall mean any Ordinary Shares issued, or deemed issued (as defined below) by the Company, which are issued after the Original Issue Date, other than Excluded Securities (as defined Article 12.2 below).

vii. For the purposes of the above, a "**deemed issuance**" shall mean the issuance of options or warrants to purchase or rights to subscribe to any Additional Shares, or securities by their terms convertible of exchangeable for Additional Shares, or options to purchase or rights to subscribe to such convertible or exchangeable securities, which may be exercised of converted into Additional Shares.

6.4.5. In the event the Company should at any time, or from time to time after the Original Issue Date, fix a record date for effecting a split or subdivision of the outstanding shares of Ordinary Shares or the determination of holders of Ordinary Shares entitled to receive a dividend or other distribution payable in additional shares of Ordinary Shares or other securities or rights convertible into, or entitling the holder thereof to receive, directly or indirectly, additional shares of Ordinary Shares (hereinafter referred to as "**Ordinary Shares Equivalents**") without payment of any consideration by such holder for the additional shares of Ordinary Shares or the Ordinary Shares Equivalents (including the additional shares of Ordinary Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the conversion price of the Preferred Shares shall be appropriately decreased so that the number of shares of Ordinary Shares issuable on conversion of the Preferred Shares shall be adjusted in proportion to such increase of the aggregate of shares of Ordinary Shares outstanding and those issuable with respect to such Ordinary Shares Equivalents with the number of shares issuable with respect to Ordinary Shares Equivalents determined from time to time in the manner provided for deemed issuances in Article 6.4.4v.

6.4.6. If the number of shares of Ordinary Shares outstanding at any time after the Original Issue Date is decreased by a combination or reverse Shares-split of the outstanding shares of Ordinary Shares, then, following the record date of such combination,

the conversion price of the Preferred Shares shall be appropriately increased so that the number of shares of Ordinary Shares issuable on conversion of each share of such Preferred Shares shall be decreased in proportion to such decrease in outstanding shares.

6.4.7. **Other Distributions**. In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends), options, or rights not referred to in Article 6.4 then, in each such case for the purpose of this Article 6.4.7 the holders of the Preferred Shares shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Ordinary Shares into which their Preferred Shares are convertible as of the record date fixed for the determination of the holders of Ordinary Shares entitled to receive such distribution.

6.4.8. **Recapitalizations**. If at any time, or from time to time, there shall be a recapitalization of the Ordinary Shares, provision shall be made so that the holders of the Preferred Shares shall thereafter be entitled to receive upon conversion of the Preferred Shares the number of shares or other securities or property of the Company or otherwise to which a holder of Ordinary Shares deliverable upon conversion would have been entitled on such recapitalization. In the event of any capital reorganization of the Company, any reclassification of the Shares of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a Shares dividend or subdivision, split-up or combination of shares), or any consolidation or merger of the Company (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any change in the Ordinary Shares or in which the holders of fifty percent (50%) of the voting securities of the Company immediately prior to the transaction continue, by virtue of their holdings of securities of the Company, to hold such securities after the transaction), each Preferred Share shall, after such reorganization, reclassification, consolidation, or merger, be convertible into the kind and number of shares or other securities or property of the Company, or of the corporation resulting from such consolidation or surviving such merger, to which the holder of the number of shares of Ordinary Shares deliverable (immediately prior to the time of such reorganization, reclassification, consolidation, or merger) upon conversion of such Preferred Shares would have been entitled upon such reorganization, reclassification, consolidation, or merger. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 6.4 with respect to the rights of the holders of the Preferred Shares after any such reorganization, reclassification, consolidation, merger, or recapitalization to the end that the provisions of this Article 6.4 (including adjustment of the conversion price then in effect and the number of shares purchasable upon conversion of the Preferred Shares) shall be applicable after that event as nearly equivalent as may be practicable.

6.4.9. **No Fractional Shares and Certificate as to Adjustments**.

No fractional shares shall be issued upon conversion of any share or shares of the Preferred Shares, and the number of Ordinary Shares to be issued shall be rounded down to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Shares the holder is at the time converting into Ordinary Shares and the number of shares of Ordinary Shares issuable upon such aggregate conversion.

6.4.10. Upon the occurrence of each adjustment or readjustment of the Conversion Price of Preferred Shares pursuant to this Article 6.4, the Company, at its

expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Shares, furnish or cause to be furnished to such holder a like certificate setting forth:

i. such adjustment and readjustment;

ii. the conversion price for the Preferred Shares at the time in effect;

iii. the number of shares of Ordinary Shares; and

iv. the amount, if any, of other property which at the time would be received upon the conversion of the applicable Preferred Shares.

6.4.11. **Record Date**. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of Shares of any class or any other securities or property, or to receive any other right, the Company shall give to each holder of Preferred Shares, at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution, or right, and the amount and character of such dividend, distribution, or right.

6.4.12. **Reservation of Shares Issuable Upon Conversion**. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its shares of Ordinary Shares as shall, from time to time, be sufficient to effect the conversion of all outstanding Preferred Shares. If at any time the number of authorized but unissued shares of Ordinary Shares shall not be sufficient to effect the conversion of all then-outstanding Preferred Shares, in addition to such other remedies as shall be available under applicable law to the holder of the Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Ordinary Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in commercially reasonable efforts to obtain the requisite Shareholders approval of any necessary amendment to the Articles.

6.4.13. **Notices**. Any notice required by the provisions of this Article 6.4 to be given to the holder Preferred Shares shall be deemed given in accordance with Article 72.

6.5. Termination of Rights. All rights incident to a Preferred Share will terminate automatically upon the conversion of such share(s) into Ordinary Shares.

7. INCREASE OF SHARE CAPITAL

7.1. Subject to Article 54, the Company may, from time to time, adopt a resolution by Ordinary Majority, whether or not all the shares then authorized have been issued, and whether or not all the shares theretofore issued have been called up for payment, increase its share capital by the creation of new shares. Any such increase shall be of such amount and shall be divided into shares of such nominal amounts, and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide.

7.2. Except to the extent otherwise provided in such resolution, such new shares shall be subject to all the provisions applicable to the shares of the original capital of the same class and par value.

8. **SPECIAL RIGHTS; MODIFICATION OF RIGHTS**

8.1. Special Rights. Subject to Article 54, the Company may, from time to time, adopt a resolution by Ordinary Majority, to provide for shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such resolution.

8.2. Modification of Rights.

8.2.1. If at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by the Articles, may be modified or abrogated by the Company, by a majority of the holders of the issued shares of such class passed at a separate General Meeting of the holders of the shares of such class.

8.2.2. Unless otherwise provided by the Articles, the enlargement of an existing class of shares, or the issuance of additional shares thereof, shall not be deemed, for purposes of this Article, to modify or abrogate the rights attached to the previously issued shares of such class or of any other class.

9. **CONSOLIDATION, SUBDIVISION, CANCELLATION AND REDUCTION OF SHARE CAPITAL AND PURCHASE OF SHARES**

9.1. The Company may, from time to time, by Ordinary Resolution (*subject, however*, to the provisions of Articles 8 and 54 hereof and to applicable law):

9.1.1. consolidate and divide all or any of its issued or unissued share capital into shares of larger nominal value than its existing shares;

9.1.2. subdivide its shares (issued or unissued) or any of them, into shares of smaller nominal value than is fixed by the Articles, and the resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

9.1.3. cancel any shares which, at the date of the adoption of such Ordinary Resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so canceled;

9.1.4. reduce its share capital in any manner, and with and subject to any incident authorized, and consent required, by Section 287 of the Companies Law;

9.1.5. increase its share capital, regardless of whether or not all of its shares have been issued, or whether the shares issued have been paid in full, by the creation of new shares, divided into shares in such par value, and with such preferred or deferred or other special rights (subject always to the provisions of the Articles), and subject to any conditions and restrictions with respect to Dividends, return of capital, voting or otherwise, as shall be directed by the resolution;

9.1.6. convert part of its issued and paid-up shares into deferred shares; or

9.1.7. cancel any securities that are repurchased by the Company, in accordance with Section 308 of the Companies Law.

Subject to any provision to the contrary in the resolution authorizing the increase in share capital pursuant to the Articles, the new share capital shall be deemed to be part of the original share capital of the Company and shall be subject to the same provisions with reference to payment of calls, liens, title, forfeiture, transfer and otherwise as apply to the original share capital.

9.2. With respect to any consolidation of issued shares into shares of larger nominal value, and with respect to any other action which may result in fractional shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, including, inter alia, resort to one or more of the following actions:

9.2.1. determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share of larger nominal value;

9.2.2. allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

9.2.3. redeem, in the case of redeemable preference shares, and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

9.2.4. cause the transfer of fractional shares by certain shareholders of the Company to other shareholders thereof so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board of Directors is hereby authorized to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this sub-Article 9.2.4.

9.3. Subject to the provisions of the Companies Law, the Company may from time to time, purchase its own shares or other securities.

SHARES

10. **ISSUANCE OF SHARE CERTIFICATES; REPLACEMENT OF LOST CERTIFICATES**

10.1. Share certificates shall be issued under the seal or the stamp of the Company and shall bear the signatures of two (2) Directors (or if there be only one (1) Director, the signature of such Director), or of any other person or persons authorized thereto by the Board of Directors.

10.2. Each member shall be entitled to one (1) numbered certificate for all the shares of any class registered in his name, and if the Board of Directors so approves, to several certificates, each for one or more of such shares.

10.3. A share certificate registered in the names of two (2) or more persons shall be delivered to the person first named in the Registrar of Members in respect of such co-ownership.

10.4. If a share certificate is defaced, lost or destroyed, it may be replaced, upon payment of such fee, and upon the furnishing of such evidence of ownership and such indemnity, as the Board of Directors may think fit.

11. **REGISTERED HOLDER**

Except as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person.

12. **ALLOTMENT OF SHARES; PRE-EMPTIVE RIGHTS**

12.1. Allotment of Shares

12.1.1. Subject to the provisions of Article 3.4 the authorized but unissued shares of the Company shall be under the control of the Board of Directors, who shall have the power to offer, allot shares, or otherwise dispose of them to such persons or entities, on such terms and conditions (including inter alia terms relating to calls as set forth in Article 14.6 hereof) as the Company by resolution of the Board determines, and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of Directors may think fit, and the power to give to any person the option to acquire from the Company any shares, either at par or at a premium, or, subject as aforesaid, at a discount, during such time and for such consideration as the Board of Directors may think fit.

12.1.2. The Board may issue shares having the same rights as the existing shares, or having preferred or deferred rights or restricted rights, or any other special right in respect of dividend distributions, voting, appointment or dismissal of directors, return of share capital, distribution of Company's property, or otherwise, all as determined by the Board from time to time, subject to the provisions of the Articles, including Article 54 below.

12.2. Pre-emptive Rights

12.2.1. Until the consummation of the Company's IPO, should the Company, at any time or from time to time propose to issue and sell New Securities (as defined hereinafter), such New Securities (the "**Offered New Securities**"), shall first be offered (as hereinafter provided), on a pro-rata basis (on an as converted basis), to all the Eligible Holders. An Eligible Holder's "Pro Rata Share" shall be the ratio of the number of Ordinary Shares of the Company then held by such Eligible Holder as of the date of the Rights Notice, as defined herein, to the sum of the total number of Ordinary Shares of the Company held by all of the Eligible Holders as of such date (all on an as converted basis). In the event that any Eligible Shareholder that has preemptive rights does not exercise this right, the exercising Eligible Shareholders will have an over-allotment right. These preemptive rights shall be subject to the following provisions:

i. If the Company proposes to issue New Securities, it shall give each Eligible Holder written notice (the "**Rights Notice**") of its intention, describing the New Securities, the price (including the minimum consideration for such New Securities, if any), the general terms and conditions upon which the Company proposes to issue them and the Pro Rata Share of the Eligible Holder. Each Eligible Holder shall have ten (10) business days from delivery of the Rights Notice to agree to purchase all or any part of such offered New Securities in each case for the price and upon the general terms specified in the Rights

Notice, by giving written notice to the Company setting forth the quantity of New Securities to be purchased by the Eligible Holder (each, an "**Acceptance Notice**"); to remove any doubt it is clarified that failure by a Eligible Holder to respond within said ten (10) business day period shall constitute rejection of the Rights Notice and a waiver of the preemptive rights in full in connection with the offered New Securities

ii. The Company shall allot the Offered New Securities to the accepting Eligible Holders in accordance with the terms of the Rights Notice and their respective Acceptance Notices. If the Eligible Holders who elect to participate in the offer elect to purchase in the aggregate more than one hundred percent (100%) of the New Securities, such New Securities shall be allocated as follows: (i) First: each Eligible Holder shall be issued its Pro Rata Portion of the New Securities, but no more than the number of New Securities accepted by the Eligible Holder; and (ii) Second: the remaining New Securities unallocated in accordance with (i) above, shall be allocated among the Eligible Holders in accordance with their respective Pro-Rata Portions, but each Eligible Holder shall be allocated a maximum of the total number of New Securities accepted by each such Eligible Holder; and (iii) Third, any remaining unallocated New Securities shall be allocated in accordance with the mechanism detailed in (ii) above, in the same manner, until all the New Securities have been allocated.

iii. If the Eligible Holders fail to exercise in full their preemptive rights within the period specified in Sub-Article i, the Company shall have one hundred and twenty (120) days after the date of the Rights Notice to sell the unsold New Securities at a price and upon general terms no more favorable to the purchasers thereof than specified in the Rights Notice. If the Company has not sold the New Securities within said one hundred and twenty (120) day period the Company shall not thereafter issue or sell any New Securities without first offering such securities to the Eligible Holders in the manner provided above unless waived in writing.

12.2.2. By way of written notice to the Company, an Eligible Holder is entitled to assign the rights to purchase New Securities as detailed above to one or more Permitted Transferees of such Eligible Holder who may then respond to the Rights Notice as if the Rights Notice was addressed to such assignee(s) with regard to the assigned rights.

12.2.3. "**New Securities**" means any share capital of the Company, whether or not now authorized, and rights, options or warrants to purchase share capital, and securities of any type whatsoever that are, or may become, convertible into or exercisable for share capital, other than the Excluded Securities. For the purpose of these Articles, "**Excluded Securities**" shall mean any and all: (i) issuances of options, shares or other securities to employees, officers, directors, consultants, contractors or advisors of the Company under employee equity based plans approved by the Board; (ii) issuances upon stock splits, stock dividend, bonus shares, reclassification and similar recapitalization events; (iii) securities issued upon an IPO; (iv) securities issued by the Company pursuant to the acquisition whether by merger or purchase of all or, substantially all, of the assets or securities of another corporation; (v) securities issued to lending institutions or financing institutions in connection with financing arrangements or otherwise securities issued in connection with any credit line or other similar financing in an amount not exceeding five percent (5%) of the Company's issued and outstanding share capital on an as converted basis; (vi) securities issued in an issuance with respect to which Eligible Shareholders holding in the aggregate at least eighty

percent (80%) of the aggregate shares held by all such Eligible Shareholders shall have waived in writing their pre-emptive rights; (vii) securities issued as consideration in connection with the acquisition of another company, business entity or line of business of another business entity by the Company by merger, consolidation, purchase of all or substantially all of the assets and/or shares, or other reorganization but which does not constitute a Deemed Liquidation Event;(viii) securities issued as a dividend or distribution to all shareholders of the Company; and (ix) securities issued upon the exercise of any warrant or granted option or due to conversion of convertible securities if said warrants, options or convertible securities were issued as New Securities.

12.2.4. If the offer to Eligible Holders under this Article 12.2 may, in the opinion of the Company's counsel, constitute an offer to the public under applicable laws which is subject to prospectus requirements then such offer shall be limited to (i) Eligible Holders to whom the Company may offer such securities in reliance on an exemption from such prospectus requirement due to a category exemption other than the limited number of total offerees, and (ii) to such limited number of Eligible Holders which are the largest shareholders of the Company at the date of such offer to whom the offer may be made in reliance on an exemption from such prospectus requirement due to the limited number of total offerees.

13. **PAYMENT IN INSTALLMENTS**

If by the terms of allotment of any share, the whole or any part of the price thereof shall be payable in installments, every such installment shall, when due, be paid to the Company by the then registered holder(s) of the share or the person(s) entitled thereto.

14. **CALLS ON SHARES**

14.1. The Board of Directors may, from time to time, make such calls as it may think fit upon members in respect of any sum unpaid in respect of shares held by such members which is not, by the terms of allotment thereof or otherwise, payable at a fixed time, and each member shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the person(s) and at the time(s) and place(s) designated by the Board of Directors, as any such time(s) may be thereafter extended and/or such person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro-rata payment on account of all the shares in respect of which such call was made.

14.2. Notice of any call shall be given in writing to the member(s) in question not less than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the person to whom such payment shall be made, *provided*, *however*, that before the time for any such payment, the Board of Directors may, by notice in writing to such member(s), revoke such call in whole or in part, extend such time, or alter such person and/or place. In the case of a call payable in installments, only one notice thereof need be given.

14.3. If, by the terms of allotment of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable as if it were a call duly made by the Board of Directors and of which due notice had been given, and all the provisions herein contained with respect to such calls shall apply to each such amount.

14.4. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

14.5. Any amount unpaid in respect of a call shall bear such index linkage differentials and interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and at such time(s) as the Board of Directors may prescribe.

14.6. Upon the allotment of shares, the Board of Directors may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.

15. **PREPAYMENT**

With the approval of the Board of Directors, any member may pay to the Company any amount not yet payable in respect of his shares, and the Board of Directors may approve the payment of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this Article 15 shall derogate from the right of the Board of Directors to make any call before or after receipt by the Company of any such advance.

16. **FORFEITURE AND SURRENDER**

16.1. If any member fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of Directors, may at any time thereafter, so long as the said amount or interest remains unpaid, demand the forfeiture of all or any of the shares in respect of which said call had been made. Any expense incurred by the Company in attempting to collect any such amount or interest, including, inter alia, attorneys' fees and litigation costs, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of, the amount payable to the Company in respect of such call.

16.2. Upon the adoption of a resolution of forfeiture, the Board of Directors shall cause notice thereof to be given to such member, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall be not less than seven (7) days and which may be extended by the Board of Directors), such shares shall be ipso facto forfeited, *provided*, *however*, that, prior to the expiration of such period, the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall estop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

16.3. Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

16.4. The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

16.5. Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to provisions of these Articles, may be sold, re-allotted or otherwise disposed of as the Board of Directors thinks fit.

16.6. Any member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 14.5 above, and the Board of Directors, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing by the member in question (but not yet due) in respect of all shares owned by such member, solely or jointly with another, and in respect of any other matter or transaction whatsoever.

16.7. The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it thinks fit, but no such nullification shall estop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 16.

17. **LIEN**

17.1. Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each member (without regard to any equitable or other claim of interest in such shares on the part of any other person), and upon the proceeds of the sale thereof, for his debts, liabilities and engagements to the Company arising from any amount payable by such member in respect of any unpaid or partly paid share, whether or not such debt, liability or engagement has matured. Such lien shall extend to all dividends from time to time declared or paid in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.

17.2. The Board of Directors may cause the Company to sell a share subject to such a lien when the debt, liability or engagement giving rise to such lien has matured, in such manner as the Board of Directors deems fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such member, his executors, administrators or assigns.

17.3. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such member in respect of such share (whether or not the same have matured), and the remainder (if any) shall be paid to the member, his executors, administrators or assigns.

18. **SALE AFTER FORFEITURE OR SURRENDER OR IN ENFORCEMENT OF LIEN**

Upon any sale of a share after forfeiture or surrender or for the enforcement of a lien, the Board of Directors may appoint any person to execute an instrument of transfer of the share so sold and cause the purchaser’s name to be entered in the Register of Members in respect of such share. The purchaser shall be registered as the shareholder and shall not be bound to see to the regularity of the sale proceedings, or to the application of the proceeds of such sale, and after his name has been entered in the Register of Members in respect of such share, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

19. **REDEEMABLE SHARES**

The Company may, subject to applicable law, issue redeemable shares and redeem the same.

TRANSFER OF SHARES

20. **RESTRICTIONS OF TRANSFER; BOARD APPROVAL; RIGHT OF FIRST REFUSAL; AND, REGISTRATION**

20.1. No Transfer of shares in the Company, and no assignment of an option to acquire such shares from the Company, shall be effective unless the Transfer or assignment has been approved by the Board of Directors, and the Board of Directors may, in its reasonable discretion, either approve or refuse to approve any such Transfer or assignment.

20.2. No Transfer of shares shall be registered unless a proper instrument of transfer (in form and substance satisfactory to the Board of Directors, or as detailed below) has been submitted to the Company, together with the share certificate(s) and such other evidence of title as the Board of Directors may reasonably require. Until the transferee has been registered in the Register of Members in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof. The Board of Directors, may, from time to time, prescribe a fee for the registration of a transfer.

"Share Transfer Deed

I, [*specify name of transferor*], of [*specify address of transferor*] ("**Transferor**") do hereby transfer to [*specify name of transferee*] of [*specify address of transferee*] ("**Transferee**") [*specify number and class*] share(s), par value NIS 0.01 each, of TheraCoat Ltd. to hold unto the Transferee, Transferee's executors, administrators and assigns, subject to the same terms and conditions on which I held the same at the time of the execution hereof; and I, the Transferee, do hereby agree to take the said share(s) subject to the aforesaid terms and conditions.

In witness whereof we have hereunto set our hands this day of .

Transferee	Transferor
Name:	Name:
Title:	Title:"

20.3. **Right of First Refusal**. Without derogating from the provisions of Article 20.1 or 20.2, the following provisions shall govern Transfers of shares in the Company:

20.3.1. Any Shareholder proposing to Transfer all, or any, of such Shareholder's shares (the "**Offeror**") shall first offer in writing such shares (the "**Offered Shares**"), on the terms of the proposed Transfer, to all the Eligible Holders (the "**Offerees**") and shall also provide the Company with such written notice. The Offeror shall send the Company and the Offerees a written notice dated with the date that the offer is sent (the "**Offer**"), stating therein the identity of the Offeror and the proposed transferee(s), the consideration for the Offered Shares and the proposed material terms of sale of the Offered

Shares. At the written request of the Offeror, the Company shall use commercially reasonable efforts to assist such Offeror with the delivery of the Offer by providing the Offeror with the names and address of the Offerees that are available to the Company. Any Offeree may accept such offer in respect of all, or any, of the Offered Shares by giving the Offeror notice to that effect within fourteen (14) business days after the date of the Offer; to remove any doubt it is hereby clarified that failure to accept the Offer within said fourteen (14) day period shall constitute rejection of the Offer and waiver of the right of first refusal.

20.3.2. If the acceptances, in the aggregate, are in respect of more than the number of Offered Shares, then the accepting Offerees shall acquire the Offered Shares, on the terms aforementioned, in proportion to their respective holdings of the issued and outstanding share capital of the Company on an as converted to Ordinary Shares basis, *provided* that no Offerees shall be entitled to acquire under the provisions of this Article 20.3.2 more than the number of Offered Shares initially accepted by such Offeree, and upon the allocation to an Offeree of the full number of shares so accepted, the Offeree shall be disregarded in any subsequent computations and allocations hereunder. Any shares remaining after the computation of such respective entitlements shall be re-allocated among the accepting Offerees (other than those to be disregarded as aforesaid), in the same manner, until one hundred percent (100%) of the Offered Shares have been allocated as aforesaid.

20.3.3. If the acceptances, in the aggregate, are in respect of less than the number of Offered Shares, the Offeror, at the expiration of the aforementioned fourteen (14) day period, shall be entitled, at the Offerror's option to transfer to the accepting Offerees (but not to less than all of them) the numbers of shares as to which they respectively accepted the Offer (or such lesser numbers as they may then respectively agree to accept), and to transfer all or any part of the balance of the Offered Shares to the proposed transferee(s) identified in the Offer, or, in such event, the Offeror may, at the Offerror's sole discretion, regard the Offer as entirely rejected, and thereupon transfer all (but not less than all) of the Offered Shares to such proposed transferee(s), *provided, however*, that in no event shall the Offeror transfer any of the Offered Shares to any transferee other than such accepting Offerees or such proposed transferee(s) specifically stated in the Offer, and *provided, further* that any of the Offered Shares not transferred within ninety (90) days after the expiration of said fourteen (14) day period shall again be subject to the provisions of this Article 20.3.

20.3.4. If the acceptances, in the aggregate, are in respect of all Offered Shares, the Offeror, at the expiration of the aforementioned fourteen (14) day period, shall be bound, upon actual receipt of the payment of the offer price, to transfer to the accepting Offerees (but not to less than all of them) the numbers of shares as to which they respectively are entitled. If, after becoming so bound, the Offeror defaults in transferring the Offered Shares, the Company may receive the purchase price therefor and the Offeror shall be deemed to have appointed any member of the Board as his agent to execute a transfer of the Offered Shares to the accepting Offerees, and, upon execution of such Transfer, the Company shall hold the purchase price therefor in trust for the Offeror.

20.3.5. For the purposes of any Offer under this Article 20.3 the respective holdings of any number of accepting Offerees shall mean their respective proportions of the aggregate issued and outstanding share capital determined as of the date of the Offer on an as converted basis.

20.3.6. If the offer to Eligible Holders under this Article 20.3 may, in the opinion of the Company's counsel, constitute an offer to the public under applicable laws

which is subject to prospectus requirements then such offer shall be limited to (i) Eligible Holders to whom the Offeror may offer such securities in reliance on an exemption from such prospectus requirement due to a category exemption other than the limited number of total offerees, and (ii) to such limited number of Eligible Holders which are the largest shareholders of the Company at the date of such offer to whom the offer may be made in reliance on an exemption from such prospectus requirement due to the limited number of total offerees.

20.3.7. A Shareholder may Transfer shares to a Permitted Transferee without such Transfer being subject to the above rights of first refusal, *provided, however*, that no such Transfer shall be made to any transferee, unless such transferee agrees in writing to be bound by all shareholder or Company agreements binding upon the transferring shareholder, immediately prior to the transfer to the Permitted Transferee.

All transfers made in accordance with this Article 20.3.7 are exempt from any first refusal right detailed in Article 20.3.

21. **BRING-ALONG RIGHTS**

21.1. If, at any time prior to an IPO, the holders of at least seventy five percent (75%) of the Company's voting power (collectively the "**Accepting Shareholders**"), accept a bona fide offer from a potential buyer (the "**Buyer**") to purchase all of the Company's securities (the "**Purchase Offer**"), and such offer is conditional by the Buyer upon the sale of all of shares of the Company, all shareholders shall be required to participate in such sale on the same terms and conditions.

21.2. For the purposes of determining the acceptance of the Purchase Offer in accordance with Section 21.1 above, shares held by or the consent of any shareholder who is a "related party" (as such term is defined in Section 1 of the Securities Law) to the party making such Purchase Offer, shall not be taken into account or required.

21.3. The proceeds of such sale shall be distributed among the Company's shareholders in accordance with the Liquidation Event distribution preferences applicable in accordance with these Articles. The majority set forth in Article 21.1 for the Accepting Shareholders shall be deemed the majority required under Section 341 of the Companies Law

21.4. Such decision shall be binding upon the Company and all of the Shareholders and the Shareholders will not object to, and to the extent applicable shall vote in favor of (including in all class votes), shall execute the relevant documents in connection with, and shall otherwise take all corporate and other actions necessary and reasonable to effect, such Purchase Offer on the same terms and conditions for all Shareholders. All Shareholders shall be deemed to have given an irrevocable proxy to such person as shall be designated by the Accepting Shareholders to vote for, and sign all documents in connection with, the acceptance of such Purchase Offer and at the closing of such Purchase Offer all of the Shareholders will transfer all their securities to such person or entity at the same price and terms as the Purchase Offer. In the event that a Shareholder fails to surrender its share certificate, or any other instrument evidencing its securities in connection with the consummation of the Purchase Offer, such certificate or instrument shall be deemed cancelled, the Company shall be authorized to issue a new certificate or instrument in the name of the person making the Purchase Offer, the Board of Directors shall be authorized to establish an escrow account into which the consideration for such cancelled securities shall be deposited and a trust to administer such account.

21.5. The Company shall not issue any securities, or any other right to subscribe for, or convert to, securities (including options or shares issued or granted under option or share incentive plans approved by the Board), or effect any transfer of securities by any shareholder until it has satisfactory evidence that such subscriber or transferee (to the extent not a Shareholder prior to the issuance or transfer) shall be bound by, and be subject to, the provisions of this Article 21.5.

22. **SUSPENSION OF REGISTRATION**

The Board of Directors may suspend the registration of transfers during the twenty-one (21) days immediately preceding the Annual General Meetings.

TRANSMISSION OF SHARES

23. **DECEDENTS' SHARES**

23.1. In case of a share registered in the names of two (2) or more holders, the Company may recognize the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 23.2 have been effectively invoked.

23.2. Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of Directors may reasonably deem sufficient that he sustains the character in respect of which he proposes to act under this Article or of his title), shall be registered as a member in respect of such share, or may, subject to the regulations as to transfer herein contained, transfer such share.

24. **RECEIVERS AND LIQUIDATORS**

24.1. The Company may recognize the receiver or liquidator of any corporate member in winding-up or dissolution, or the receiver or trustee in bankruptcy of any member, as being entitled to the shares registered in the name of such member.

24.2. The receiver or liquidator of a corporate member in winding-up or dissolution, or the receiver or trustee in bankruptcy of any member, upon producing such evidence as the Board of Directors may deem sufficient that he sustains the character in respect of which he proposes to act under this Article or of his title, shall with the consent of the Board of Directors (which the Board of Directors may grant or refuse in its absolute discretion), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer herein contained, transfer such shares.

GENERAL MEETINGS

25. **ANNUAL GENERAL MEETING**

An Annual General Meeting may be held once in every calendar year at such time (within a period of not more than fifteen (15) months after the last preceding Annual General Meeting) and at such place either in or outside of the State of Israel as may be determined by the Board of Directors.

26. **SPECIAL GENERAL MEETINGS**

All General Meetings other than Annual General Meetings shall be called "Special General Meetings". The Board of Directors may, whenever it thinks fit, convene a Special General Meeting at such time and place, in or outside of the State of Israel, as may be determined by the Board of Directors, and shall be obliged to do so upon a requisition in writing in accordance with Section 63 of the Companies Law.

27. **NOTICE OF GENERAL MEETINGS; OMISSION TO GIVE NOTICE**

27.1. Not less than seven (7) days and not more than forty five (45) days prior notice shall be given of every General Meeting. Each such notice shall specify the place and day and hour of the meeting and the general nature of each item to be acted upon thereat. Notice shall be given to all members who would be entitled to attend and vote at such meeting, if it were held on the date when such notice is issued. In the event that the items to be acted upon at the meeting include any resolution which is defined hereunder as a Special Resolution, the prior notice to the shareholders shall specify such Special Resolution and shall further specify the majority of votes that is required for its adoption. Anything herein to the contrary notwithstanding, with the consent of all members entitled to vote thereon, a resolution may be proposed and passed at such meeting although a lesser notice than hereinabove prescribed has been given.

27.2. The accidental omission to give notice of a meeting to any member, or the non-receipt of notice sent to such member, shall not invalidate the proceedings at such meeting.

PROCEEDINGS AT GENERAL MEETINGS

28. **QUORUM**

28.1. Three (3) or more members (not in default in payment of any sum referred to in Article 34 hereof), present in person including by way of a telephone conference call, or by proxy, *provided* at least one (1) of them is a holder of Ordinary Shares and at least two (2) of them are holders of Preferred Shares (provided that the two (2) present Preferred Shareholders are not Affiliates of one another), and holding shares conferring in the aggregate a majority of the voting power of the Company, shall constitute a quorum at General Meetings. No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the requisite quorum is present when the meeting proceeds to business.

28.2. If within half (½) an hour from the time appointed for the meeting a quorum is not present, the meeting, shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the chairman of the meeting may determine with the consent of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting on the questions of adjournment. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, any two (2) members (not in default as aforesaid) present in person or by proxy, shall constitute a quorum, except that if convened upon requisition under Sections 63 or 64 of the Companies Law, a quorum shall consist of one (1), or more, shareholders, holding at least ten percent (10%) of the issued equity and at least one percent (1%) of the Company's voting power.

29. **CHAIRMAN**

The Chairman, if any, shall preside as chairman at every General Meeting of the Company. If there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time fixed for holding the meeting or is unwilling to act as chairman of the General Meeting, the members present shall choose someone of their number to be chairman. The office of chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote (without derogating, *however*, from the rights of such chairman to vote as a shareholder or proxy of a shareholder if, in fact, he is also a shareholder or such proxy).

30. **ADOPTION OF RESOLUTIONS AT SHAREHOLDERS MEETINGS**

30.1. An Ordinary Resolution and a Special Resolution shall be deemed adopted if approved by an Ordinary Majority.

30.2. Every question submitted to a General Meeting shall be decided by a show of hands, but if a written ballot is demanded by any member present in person or by proxy and entitled to vote at the meeting, the same shall be decided by such ballot. A written ballot may be demanded before the proposed resolution is voted upon. The demand for a written ballot may be withdrawn at any time before the same is conducted, in which event another member may then demand such written ballot. The demand for a written ballot shall not prevent the continuance of the meeting for the transaction of business other than the question on which the written ballot has been demanded.

30.3. A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

31. **RESOLUTIONS IN WRITING**

A resolution in writing signed by all members of the Company then entitled to attend and vote at General Meetings or to which all such members have given their written consent (by letter, telegram, telex, facsimile, electronic mail or otherwise), shall be deemed to have been unanimously adopted by a General Meeting duly convened and held.

32. **POWER TO ADJOURN**

32.1. The chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.

32.2. It shall not be necessary to give any notice of an adjournment, whether pursuant to Article 28.2 or Article 32.1, unless the meeting is adjourned for more than twenty-one (21) days in which event notice thereof shall be given in the manner required for the meeting as originally called.

33. **VOTING POWER**

Subject to the provisions of Article 34 and subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every member shall have one (1) vote for each share held by him of record, on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means.

34. **VOTING RIGHTS**

34.1. No member shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls and other sums then payable by him in respect of his shares in the Company have been paid.

34.2. A company or other corporate body being a member of the Company may, by resolution of its directors or any other managing body thereof, authorize any person to be its representative at any meeting of the Company. Any person so authorized shall be entitled to exercise on behalf of such member all the power which the latter could have exercised if it were an individual shareholder. Upon the request of the chairman of the meeting, written evidence of such authorization (in form acceptable to the chairman) shall be delivered to him.

34.3. Any member entitled to vote may vote personally or by proxy (who need not be a member of the Company), or, if the member is a company or other corporate body, by a representative authorized pursuant to Article 35.

34.4. If two (2) or more persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

PROXIES

35. **INSTRUMENT OF APPOINTMENT**

35.1. The instrument appointing a proxy shall be in writing and shall be substantially in the following form:

"I of

(*Name of Shareholder*) (*Address of Shareholder*)

being a member of TheraCoat Ltd. hereby appoint

of

(*Name of Proxy*) (*Address of Proxy*)

as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held on the day of 20 and at any adjournment(s) thereof.

Signed this day of 20 .

_____

(*Signature of Appointer*)

or in any usual or common form or in such other form as may be approved by the Board of Directors. It shall be duly signed by the appointer or his duly authorized attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s).

35.2. The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its Registered Office or at its principal place of business or at such place as the Board of Directors may specify) not less than twelve (12) hours before the time fixed for the meeting at which the person named in the instrument proposes to vote, or presented to the Chairman at such meeting.

36. **EFFECT OF DEATH OF APPOINTOR OR REVOCATION OF APPOINTMENT**

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death of the appointing member (or of his attorney-in-fact, if any, who signed such instrument), or the revocation of the appointment or the transfer of the share in respect of which the vote is cast, *provided* no written notice of such death, revocation or transfer shall have been received by the Company or by the Chairman of the meeting before such vote is cast and *provided, further*, that the appointing member, if present in person at said meeting, may revoke the appointment by means of a written or oral notification to the chairman.

BOARD OF DIRECTORS

37. **POWERS OF BOARD OF DIRECTORS**

37.1. In General.

The management of the business of the Company shall be vested in the Board of Directors, which may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do, and are not hereby, or by law required to be, exercised or done by the Company in General Meeting or by the General Manager. The authority conferred on the Board of Directors by this Article 37 shall be subject to the provisions of the Companies Law, of the Articles and any regulation or resolution consistent with these Articles adopted from time to time by the Company in General Meeting, *provided, however*, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such regulation or resolution had not been adopted.

37.2. Borrowing Power.

The Board of Directors may from time to time, in its discretion, cause the Company to borrow or secure the payment of any sum or sums of money for the purposes of the Company, and may secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions in all respects as it thinks fit, and, in particular, by the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges, or other securities on the undertaking or the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid capital for the time being.

37.3. Reserves. The Board of Directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board of Directors, in its absolute discretion, shall think fit, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments, and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of Directors may from time to time think fit.

38. EXERCISE OF POWERS OF BOARD OF DIRECTORS

38.1. A meeting of the Board of Directors at which a quorum is present, including by way of a telephone conference call, shall be competent to exercise all the authorities, powers and discretion vested in or exercisable by the Board of Directors.

38.2. A resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors present, including by way of a telephone conference call, when such resolution is put to a vote and voting thereon.

38.3. A resolution in writing signed by all Directors then in office or to which all such Directors have given their written consent (by letter, telegram, telex, facsimile or otherwise) shall be deemed to have been unanimously adopted by a meeting of the Board of Directors duly convened and held.

38.4. Without derogating from any statutory duties of the Board of Directors, the matters set forth in Sub-Articles 54.5, 54.7, 54.12, 54.13, 54.14, 54.16 and 54.20 shall require the approval of the Board of Directors.

39. DELEGATION OF POWERS

39.1. The Board of Directors may delegate any or all of its powers to committees, each consisting of two (2) or more persons (who need not be Directors), and it may from time to time revoke such delegation or alter the composition of any such committee. Any Committee so formed (in these Articles referred to as a "**Committee of the Board of Directors**"), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any regulations adopted by the Board of Directors under this Article 39. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee of the Board of Directors, such Committee of the Board of Directors shall not be empowered to further delegate such powers.

39.2. The Board of Directors may from time to time appoint a Secretary to the Company, as well as officers, agents, employees and independent contractors, as the Board of Directors may think fit, and may terminate the service of any such person. The Board of Directors may determine the powers and duties, as well as the salaries and emoluments, of all such persons, and may require security in such cases and in such amounts as it thinks fit.

39.3. The Board of Directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities

and discretion, and for such period and subject to such conditions, as it thinks fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

40. **NUMBER OF DIRECTORS**

Subject to Article 54 below and until otherwise determined by Ordinary Resolution of the Company, the Board of Directors of the Company shall consist of up to nine (9) Directors.

41. **APPOINTMENT AND REMOVAL OF DIRECTORS**

The Board shall be comprised of up to nine (9) directors to be appointed as follows:

41.1. The holders of a majority in interest of the Ordinary Shares of the Company, excluding Pontifax, by written notice to the Company, shall be entitled to appoint one (1) director to the Board;

41.2. Arkin by written notice to the Company, shall be entitled to appoint one (1) director to the Board (the "**Arkin Director**"). and, as long as Arkin holds, in the aggregate, at least ten (10%) of the issued and outstanding share capital of the Company (on an as-converted basis), Arkin shall have the right to appoint one (1) representative to attend all meetings of the Board of Directors in a nonvoting observer capacity;

41.3. Pontifax by written notice to the Company, shall be entitled to appoint one (1) director to the Board (the "**Pontifax Director**");

41.4. The holders of a majority in interest of the Preferred Shares, excluding Arkin and Pontifax, shall be entitled, by written notice to the Company, to appoint one (1) director to the Board; and

41.5. One (1) director shall be an industry expert appointed unanimously by all the other directors. The initial industry expert shall be Mr. Arie Belldegrun who shall also serve as the initial Chairman. Dismissal of such industry expert director may be carried out by the majority of the directors and appointment of a new industry expert director may be carried by the unanimous resolution of the directors.

41.6. The incumbent directors appointed pursuant to Articles 41.1-41.5 above, by a majority vote, may, subject to Article 40 above, appoint additional directors who will serve until the next annual general meeting.

41.7. The Arkin Director and the Pontifax Director have the right to be appointed as a member of any of the Committees of the Board of Directors, at their sole and several discretion.

41.8. Each director shall have one (1) vote at any meeting of the Board, provided that a holder or group of holders, entitled to appoint more than one (1) director by virtue of their shareholdings, may elect to appoint fewer than the maximum number of directors than they are entitled to appoint and may in this event notify the Company in the letter of appointment that a certain director is to have one (1) additional vote on the Board, provided that no one Director can have more than two (2) votes at the Board of Directors.

41.9. Holder(s) entitled to appoint a director, or to empower a director with more than one vote, may remove from the Board any director so appointed, or alter the number of votes to which such director is entitled and may fill any vacancy in the Board of the Directors due to the termination of the term of office of any Director appointed by the said holder(s), however such vacancy was created. Any such act shall become effective on the date fixed in such notice, or upon the delivery thereof to the Company, whichever is later.

42. **QUALIFICATION OF DIRECTORS**

No person shall be disqualified to serve as a Director by reason of his not holding shares in the Company or by reason of his having served as a Director in the past.

43. **CONTINUING DIRECTORS IN THE EVENT OF VACANCIES**

In the event of one or more vacancies in the Board of Directors, the continuing Directors may continue to act in every matter.

44. **VACATION OF OFFICE AND REDUCTION IN NUMBER OF VOTES**

44.1. The office of a Director shall be vacated, ipso facto, upon his death, or if he be found lunatic or become of unsound mind, or if he becomes bankrupt, or, if the Director is a company, upon its winding-up.

44.2. The office of a Director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later

44.3. The office of a Director shall be vacated on written notice to the Company, by the Shareholder, or group of Shareholders, who appointed such Director, or if the Shareholder, or group of Shareholders, who appointed such Director, do not maintain sufficient voting power to appoint the Director.

44.4. If the Shareholder(s) who appointed a director entitled to more than one (1) vote at the Board meetings do not maintain sufficient voting power to grant a director the number of votes specified in their letter of appointment, then the number of votes to which the director is entitled shall automatically be reduced in accordance with their actual voting power, from time to time.

45. **REMUNERATION OF DIRECTORS**

No Director shall be paid any remuneration by the Company for his services as Director except as may be provided by the Board of Directors, with such additional approval as required in accordance with the Companies Law and the Articles.

46. **CONFLICT OF INTERESTS; APPROVAL OF RELATED PARTY TRANSACTIONS**

46.1. No Director shall be disqualified by virtue of his office as Director from holding any office (other than that of Auditor) or place of profit under the Company or under any company in which the Company shall be a shareholder or otherwise interested.

46.2. A Director shall not be disqualified from contracting with the Company as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realized by any such contract or arrangement by reason only of such Director’s holding in the Company or of the fiduciary relations thereby established, *provided* that the nature of his interest, including all significant

facts and documents, be disclosed by him at the meeting of the Board of Directors at which the contract or arrangement is first considered, if his interest then exists, or, in any other case, within a reasonable period of time after the acquisition of his interest and in advance of contracting with the Company. Should the Director acquire a personal (direct or indirect) interest in a company or firm with which the Company has business dealings, he shall give notice of such to the Board of Directors at the earliest possible opportunity. A general notice that a Director is a member of any firm or company and is to be regarded as interested in all transactions with that firm or company shall be a sufficient disclosure under this Article 46, and after such general notice it shall not be necessary to give any special notice relating to any particular transactions with such firm or company.

46.3. Any transactions in which a Director has a personal interest, as illustrated in sub-articles 46.2 above, shall be subject to the approval of the Board of Directors and any other procedures, if any, mandated by the Companies Law.

46.4. Subject to Section 278 of the Companies Law and any other provisions mandated by the Companies Law, a Director or other Office Holder (as that term is defined in Section 1 of the Companies Law), shall not participate in deliberations concerning, nor vote upon a resolution of the Board of Directors approving, a transaction with the Company in which he has a personal interest.

47. **ALTERNATE DIRECTORS**

47.1. A Director may, by written notice to the Company, appoint an alternate for himself (in these Articles referred to as **"Alternate Director"**), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period, and for all purposes.

47.2. Any notice given to the Company pursuant to Article 47.1 shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

47.3. An Alternate Director shall have all the rights and obligations of the Director who appointed him, *provided*, *however*, that he may not in turn appoint an alternate for himself (unless the instrument appointing him otherwise expressly provides), and *provided further* that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present.

47.4. Any natural person may act as an Alternate Director. An Alternative Director shall have the same number of votes as the Director that appoints him, unless a lower number is stipulated in the letter of appointment.

47.5. An Alternate Director shall alone be responsible for his own acts and defaults, and he shall not be deemed the agent of the Director(s) who appointed him.

47.6. The office of an Alternate Director shall be vacated under the circumstances, mutatis mutandis, set forth in Article 44, and such office shall ipso facto be vacated if the Director who appointed such Alternate Director ceases to be a Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

48. **MEETINGS**

48.1. The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Directors think fit.

48.2. Any Director may at any time, and the Secretary, upon the request of such Director, shall, convene a meeting of the Board of Directors, but not less than three (3) days' notice shall be given of any meeting so convened.

49. **QUORUM**

Directors who hold a majority of the voting power of all of the Directors then in office shall constitute a quorum at meetings of the Board of Directors. No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present, including by way of a telephone conference call, when the meeting proceeds to business.

50. **CHAIRMAN OF THE BOARD OF DIRECTORS**

The Board of Directors may from time to time elect one of its members to be the Chairman, remove such Chairman from office and appoint another in its place. The initial Chairman shall be Mr. Arie Belldegrun. The Chairman shall not have a casting vote in the event that an equal number of votes are cast for and against a resolution. The Chairman shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting, or if he is unwilling to take the chair, the Directors present shall choose one of their number to be the chairman of such meeting.

51. **VALIDITY OF ACTS DESPITE DEFECTS**

Subject to the provisions of the Companies Law, all acts done *bona fide* at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meetings or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

CHIEF EXECUTIVE OFFICER

52. **CHIEF EXECUTIVE OFFICER**

The Board of Directors may from time to time appoint one or more persons, whether or not Directors, as Chief Executive Officer of the Company and may confer upon such person(s), and from time to time modify or revoke, such title(s) (including General Manager, Managing Director, Director General or any similar or dissimilar title) and such duties and authorities of the Board of Directors as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of Directors may from time to time (subject to the provisions of any contract between any such person and the Company) fix his or their salaries and emoluments, remove or dismiss him or them from office and appoint another or others in his or their place or places.

MINUTES

53. **MINUTES**

53.1. Minutes of each General Meeting and of each meeting of the Board of Directors shall be recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the persons present at the meeting and all resolutions adopted thereat.

53.2. Any minutes as aforesaid, if purporting to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting, shall constitute prima facie evidence of the matters recorded therein.

SPECIAL VOTING RIGHTS AND MAJOR DECISIONS

54. Until the earlier of (i) IPO or (ii) such date on which the holders of Preferred Shares no longer hold more than ten percent (10%) of the issued and outstanding share capital of the Company on a fully diluted basis, any action or resolution of the Board or the General Meeting, as the case may be (and any subsidiary thereof), on any of the following matters shall require the affirmative consent of Arkin and of Pontifax:

54.1. any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Preferred Shares;

54.2. any amendment of the Company's Articles of Association;

54.3. any resolution that creates or issues any class or series of shares or other securities of the Company or which results in the repurchase of any shares or other securities by the Company;

54.4. any acquisition of another company or business entity;

54.5. any Qualified Transaction;

54.6. the sale, lease, exclusive license or other disposition of a material asset or the sale of all or substantially all of the Company's or a subsidiary's assets;

54.7. the liquidation or dissolution of the Company or a subsidiary or the execution by the Company of any arrangements under the provision of Article 350 of the Companies Law, or the approval of any transaction that constitutes a Deemed Liquidation event;

54.8. the declaration or payment of a dividend or other distribution of cash, securities or other assets of the Company;

54.9. any change in the rights of the shareholders to appoint members of the Board of Directors;

54.10. any transactions between the Company and any interested party (including without limitation any transaction with an officer, Director or Shareholder of the Company);

54.11. results in a material change in the business or strategic direction of the Company;

54.12. approval of any material changes to the Work Plan;

54.13. approval of the Company's annual budget and any material changes thereto, including;

54.14. creation of a pledge or granting of security interest in a material asset or in all or substantially all assets of the Company or a subsidiary (other than for the benefit of the State of Israel);

54.15. any capital expenditure or commitment in excess of fifty thousand US Dollars (US$50,000) which is not included in the annual budget;

54.16. effects any transaction out of the ordinary course of business, including without limitation, any licensing, sale, or transfer of intellectual property;

54.17. involves the appointment, removal, or modification of the terms of any existing employment or engagement contract of any of the Company's executive management;

54.18. results in the adoption of or amendment to any employee stock option plan or other similar incentive arrangement, including the increase of the amount of shares reserved for allocation thereunder;

54.19. creation of any Committee of the Board of Directors;

54.20. the release of the Company's independent auditors and appointment of new auditors or any change in the accounting principles adopted; and

54.21. the grant of registration rights to any person or entity other than the holders of Preferred Shares that are superior, or equal to those rights granted to the holders of Preferred Shares.

55. The protective provisions pursuant to Sub-Articles 54.2-54.7, 54.9-54.11 and 54.13-54.19 shall expire on the consummation of a Qualified Transaction that is not an IPO.

DIVIDENDS

56. **DECLARATION OF DIVIDENDS**

Subject to Article 54 above and the provisions of Sections 301 through 311 (inclusive) of the Companies Law, the Company, at a General Meeting and upon recommendation of the Board of Directors, may from time to time declare, and cause the Company to pay, such interim, or final, dividend as may appear to the Board of Directors to be justified by the profits of the Company. The Board of Directors shall determine the time for payment of such dividends, both interim and final, and the record date for determining the shareholders entitled thereto.

57. **FUNDS AVAILABLE FOR PAYMENT OF DIVIDENDS**

No dividend shall be paid otherwise than out of the profits of the Company. The term "profits" shall be interpreted in accordance with the definition contained in Section 302 of the Companies Law.

58. **AMOUNT PAYABLE BY WAY OF DIVIDENDS**

Subject to Article 6.3 as to dividends, any dividend paid by the Company shall be allocated among the members entitled thereto in proportion to the nominal value of their respective holdings of the shares in respect of which such dividend is being paid without taking into account the premium paid up for the shares, all on an as converted basis.

59. **INTEREST**

No dividend shall carry interest as against the Company.

60. **PAYMENT IN SPECIE**

Upon the decision of the Board of Directors, a dividend may be paid, wholly or partly, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or debenture stock of the Company or of any other companies, or in any one or more of such ways.

61. **CAPITALIZATION OF PROFITS - RESERVE FUND**

Upon the resolution of the Board of Directors, the Company:

61.1. may cause any moneys, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund, or to the credit of a reserve fund for the redemption of capital, or in the hands of the Company and available for dividends, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, on the footing that they become entitled thereto as capital, or may cause any part of such capitalized fund to be applied on behalf of such shareholders in paying up in full, either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly, in payment, in full or in part, of the uncalled liability on any issued shares or debentures or debenture stock; and

61.2. may cause such distribution or payment to be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

62. **IMPLEMENTATION OF POWERS UNDER ARTICLES 60 AND 61**

For the purpose of giving full effect to any resolution under Articles 60 or 61, and without derogating from the provisions of Article 8.2 hereof, the Board of Directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and, in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members on the basis of the value so fixed, or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debenture stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board of Directors. Where necessary, a proper contract shall be filed in accordance with Section 291 of the Companies Law, and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund.

63. **DEDUCTIONS FROM DIVIDENDS**

The Board of Directors may deduct from any dividend or other moneys payable to any member in respect of a share any and all sums of money then payable by him to the Company on account of calls or otherwise in respect of shares of the Company and/or on account of any other matter or transaction whatsoever.

64. **RETENTION OF DIVIDENDS**

64.1. The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

64.2. The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any person is, under Articles 23 or 24, entitled to become a member, or which any person is, under said Articles, entitled to transfer, until such person shall become a member in respect of such share or shall transfer the same.

65. **UNCLAIMED DIVIDENDS**

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven (7) years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company, *provided, however*, that the Board of Directors may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

66. **MECHANICS OF PAYMENT**

Any dividend or other moneys payable in cash in respect of a share may be paid by check or warrant sent through the post to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to any one (1) of such persons or to his bank account), or to such person and at such address as the person entitled thereto may by writing direct. Every such check or warrant shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check or warrant shall be sent at the risk of the person entitled to the money represented thereby.

67. **RECEIPT FROM A JOINT HOLDER**

If two (2) or more persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one (1) of them may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

ACCOUNTS

68. **BOOKS OF ACCOUNT**

The Company will operate accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable law. Such books of account shall be kept at the Registered Office of the Company, or at such other place or places as the Board of Directors may think fit, and they shall always be open to inspection by all Directors. No member, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by law or authorized by the Board of Directors or by Ordinary Resolution of the Company.

69. **AUDIT**

At least once in every fiscal year the accounts of the Company shall be audited and the correctness of the profit and loss account and balance sheet certified by one or more duly qualified auditors.

70. **AUDITORS**

The appointment, authorities, rights and duties of the auditor(s) of the Company, shall be regulated by applicable law, *provided*, *however*, that in exercising its authority to fix the remuneration of the auditor(s), the members in General Meeting may, by Ordinary Resolution, act (and in the absence of any action in connection therewith shall be deemed to have so acted), to authorize the Board of Directors to fix such remuneration subject to such criteria or standards, if any, as may be provided in such Ordinary Resolution, and if no such criteria or standards are so provided, such remuneration shall be fixed in an amount commensurate with the volume and nature of the services rendered by such auditor(s).

RIGHTS OF SIGNATURE, STAMP AND SEAL

71. **RIGHTS OF SIGNATURE, STAMP AND SEAL**

71.1. Subject to the provision of the Articles, the Board of Directors shall be entitled to authorize any person or persons (who need not be Directors) to act and sign on behalf of the Company, and the acts and signature of such person(s) on behalf of the Company shall bind the Company insofar as such person(s) acted and signed within the scope of his or their authority.

71.2. The printed, stamped or typed name of the Company by any means next to the signatures of the authorized signatories of the Company, as aforesaid, shall bind the Company.

NOTICES

72. **NOTICES**

72.1. Any written notice or other document may be served by the Company upon any member either personally or by sending it by prepaid registered mail (airmail if sent to a place outside Israel) addressed to such member at his address as described in the Register of Members or such other address as he may have provided the Company in writing. Any written notice or other document may be served by any member upon the Company by tendering the same in person to the Secretary or the General Manager of the Company at the

principal office of the Company or by sending it by prepaid registered mail (airmail if posted outside Israel) to the Company at its Registered Address. Any such notice or other document shall be deemed to have been served two (2) business days after it has been posted (seven (7) business days if sent by airmail), or when actually received by the addressee if sooner than two (2) or seven (7) days, as the case may be, after it has been posted, or when actually tendered in person, to such member (or to the Secretary or the General Manager), *provided*, *however*, that notice may be sent by cablegram, telex, facsimile, e-mail or other electronic means and such notice shall be deemed to have been given on the first business day following dispatch with confirmation of delivery. If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some other respect, to comply with the provisions of this Article.

72.2. All notices to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Members, and any notice so given shall be sufficient notice to the holders of such share.

72.3. Any member whose address is not described in the Register of Members, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

INSURANCE AND INDEMNITY

73. **EXEMPTION**

Subject to the provisions of the Companies Law, including the receipt of all approvals as required therein or under any applicable law, the Company may resolve to exempt in advance an Office Holder to the fullest extent permitted by Companies Law, from all or part of such Office Holder's responsibility or liability for damages caused to the Company due to any breach of such Office Holder's duty of care towards the Company.

74. **EXEMPTION FROM DUTY OF CARE**

Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Board of Directors may resolve in advance to exempt an Office Holder from all or part of such Office Holder's responsibility or liability for damages caused to the Company due to any breach of such Office Holder's duty of care towards the Company.

75. **INDEMNIFICATION**

75.1. Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may indemnify any Office Holder (as such term is defined in the Companies Law) to the fullest extent permitted by the Companies Law.

75.2. Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Board of Directors may resolve retroactively to indemnify an Office Holder with respect to the liabilities and expenses prescribed in the Companies Law, *provided* that such liabilities or expenses were incurred by such Office Holder in such person's capacity as an Office Holder of the Company.

75.3. Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under applicable law, the Board of Directors may resolve in advance to indemnify the Company's Office Holders for the following liabilities and expenses, *provided* that: (i) in the opinion of the Board of Directors such liabilities and expenses can be foreseen at the time the undertaking to indemnify is provided, and (ii) the Board of Directors shall set a reasonable limit to the amounts for such indemnification under the circumstances:

75.3.1. a monetary liability imposed on him in favor of a third party in any judgment, including any settlement confirmed as judgment and an arbitrator's award which has been confirmed by the court, in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company;

75.3.2. reasonable litigation expenses, including legal fees, paid for by the Office Holder, in an investigation or proceeding conducted against such Office Holder by an agency authorized to conduct such investigation or proceeding, and which investigation or proceeding (i) concluded without the filing of an indictment against such Office Holder and without there having been a financial obligation imposed against such Office Holder in lieu of a criminal proceeding, or (ii) concluded without the filing of an indictment against such Office Holder but with there having been a financial obligation imposed against such Office Holder in lieu of a criminal proceeding for an offense that does not require proof of criminal intent; all in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company; or

75.3.3. reasonable litigation expenses, including legal fees, paid for by the Office Holder, or which the Office Holder is obligated to pay under a court order, in a proceeding brought against the Office Holder by the Company, or on its behalf, or by a third party, or in a criminal proceeding in which the Office Holder is found innocent, or in a criminal proceeding in which the Office Holder was convicted of an offense that does not require proof of criminal intent, all in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company.

75.4. For purposes of Article 75.3.2 above:

75.4.1. the "*conclusion of a proceeding without the filing of an indictment*" regarding a matter in which a criminal proceeding was initiated, means the closing of a file pursuant to Section 62 of the Criminal Procedure Law [Consolidated Version], 5742-1982 (the "**Criminal Procedure Law**") or a stay of process by the Attorney General pursuant to Section 231 of the Criminal Procedure Law; and

75.4.2. a "*financial obligation imposed in lieu of a criminal proceeding*" means a financial obligation imposed by law as an alternative to a criminal proceeding, including an administrative fine pursuant to the Administrative Offenses Law, 5746-1982, a fine for committing an offense categorized as a finable offense pursuant to the provisions of the Criminal Procedure Law or a penalty.

76. **INSURANCE**

76.1. Subject to the provisions of the Companies Law (including the receipt of all approvals as required therein or under any applicable law), and to budget limitations, the Company may enter into an agreement to insure an Office Holder for any liability that may be imposed on such Office Holder in connection with an act performed by such Office Holder in such Office Holder's capacity as an Office Holder of the Company, with respect to the following:

76.1.1. a breach of the duty of care owed to the Company or any other person;

76.1.2. a breach of the fiduciary duty owed to the Company, *provided* that the Office Holder acted in good faith and had reasonable grounds to assume that the action would not injure the Company; or

76.1.3. a monetary liability imposed on an Office Holder in favor of a third party, in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company.

76.2. Notwithstanding the foregoing, the Company may not exempt Office Holders in advance from their responsibilities for damages due to their violation of their duty of care to the Company with respect to distributions.

76.3. Articles 75, 74 and 75.1 shall not apply under any of the following circumstances:

76.3.1. a breach of an Office Holder's fiduciary duty, in which the Office Holder did not act in good faith and with reasonable grounds to assume that the action in question was in the best interest of the Company;

76.3.2. a grossly negligent or intentional violation of an Office Holder's duty of care;

76.3.3. an intentional action by an Office Holder in which such Office Holder intended to reap a personal gain illegally; and

76.3.4. a fine or ransom levied on an Office Holder.

76.4. The Company may procure insurance for or indemnify any person who is not an Office Holder, including without limitation, any employee, agent, consultant or contractor, *provided*, *however*, that any such insurance or indemnification is in accordance with the provisions of the Articles and the Companies Law, and was duly approved by the Board of Directors.

WINDING UP

77. **WINDING UP**

If the Company be wound up, then, subject to applicable law the assets of the Company shall be distributed pursuant to Article 6.3 hereof.

CONFLICTING PROVISIONS

78. The Articles shall amend and supersede any previously adopted Articles of Association of the Company, and any such previous Articles of Association shall be null and void, and shall have no force and effect.

79. In the event that a Hebrew version of these Articles of Association is filed with any regulatory or governmental agency, including the Israeli Registrar of Companies, then whether or not such Hebrew version contains signatures of shareholders, such Hebrew

version shall be considered solely a convenience translation and shall have no binding effect, as between the shareholders of the Company and with respect to any third party. The English version shall be the only binding version of these Articles of Association, and in the event of any contradiction or inconsistency between the meaning of the English version and the meaning of the Hebrew version, the Hebrew version shall be disregarded, shall have no binding effect and shall have no impact on the interpretation of these Articles of Association.

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Exhibit 3.2

ARTICLES OF ASSOCIATION

OF

UROGEN PHARMA LTD.

A COMPANY LIMITED BY SHARES

UNDER THE COMPANIES LAW, 5759-1999

1. **INTERPRETATION**

1.1. In these Articles, unless the context requires otherwise, the following capitalized terms shall have the meanings set opposite them:

1.1.1. "**Articles**" means these Articles of Association, as may be amended from time to time;

1.1.2. "**Board**" means all of the directors of the Company holding office pursuant to these Articles, including alternates, substitutes or proxies;

1.1.3. "**Business Day**" means any day other than a Saturday, Sunday and any day on which banks in Israel are closed or on which the NASDAQ is closed;

1.1.4. "**Chairman of the Board**" has the meaning set out in in Article 16.4;

1.1.5. "**Companies Law**" the Israeli Companies Law, 5759-1999, as amended from time to time, including the regulations promulgated thereunder, or any other law which may come in its stead, including all amendments made thereto;

1.1.6. "**Company**" means UroGen Pharma Ltd.;

1.1.7. "**Compensation Committee**" has the meaning set out in the Companies Law;

1.1.8. "**Derivative Transaction**" has the meaning set out in Article 12.5;

1.1.9. "**Effective Time**" means the closing of the initial underwritten public offering of the Ordinary Shares (as defined below), at which time these Articles shall first become effective;

1.1.10. "**External Director**" has the meaning set out in the Companies Law;

1.1.11. "**General Meeting**" means either an annual or an extraordinary meeting of the shareholders;

1.1.12. "**Incapacitated Person**" means any person whose capacity to effect legal action was denied or restricted by a court of competent jurisdiction or pursuant to the laws of the jurisdiction applicable to him and a bankrupt person in respect of whom no rehabilitation has been granted;

1.1.13. "**NASDAQ**" means the NASDAQ Global or Capital Market;

1.1.14. "**Nominees**" has the meaning set out in Article 15.2;

1.1.15. "**Office**" means the registered office of the Company at that time;

1.1.16. "**Office Holder**" has the meaning set out in the Companies Law;

1.1.17. "**Ordinary Shares**" means ordinary shares of the Company with a nominal value of NIS 0.01 each;

1.1.18. "**Proposal Request**" has the meaning set out in Article 12.5;

1.1.19. "**Proposing Shareholder**" has the meaning set out in Article 12.5;

1.1.20. "**Register**" means the register of shareholders administered in accordance with the Companies Law;

1.1.21. "**Rights**" has the meaning set out in Article 24.9;

1.1.22. "**SEC**" the U.S. Securities and Exchange Commission;

1.1.23. "**Special Fund**" has the meaning set out in Article 24.9;

1.1.24. "**U.S. Rules**" means the applicable rules of the NASDAQ and U.S. securities laws, regulations and rules, as amended from time to time; and

1.2. Reference to "*writing*", "*written*" or similar expressions in these Articles means handwriting, typewriting, photography, telex, email or any other legible form of writing. Reference to a "person" or "persons" shall also include corporations, companies, cooperative societies, partnerships, trusts of any kind or any other body of persons, whether incorporated or otherwise.

1.3. Subject to the provisions of this Article 1 and unless the context necessitates another meaning, terms and expressions in these Articles which have been defined in the Companies Law shall have the meanings ascribed to them therein.

1.4. Words in the singular shall also include the plural, and vice versa. Words in the masculine shall include the feminine and vice versa.

1.5. The captions to articles in these Articles are intended for the convenience of the reader only, and no use shall be made thereof in the interpretation of these Articles.

2. LIMITED LIABILITY

The Company is a limited liability company and therefore each shareholder's liability for the Company's obligations shall be limited to the payment of the nominal value of the shares held by such shareholder, subject to the provisions of the Companies Law.

3. OBJECTIVES

The Company's objectives are to engage in any lawful activity. The Company may donate a reasonable amount of money for any purpose that the Board finds appropriate, even if the donation is not for business considerations or for the purpose of achieving profits for the Company.

4. REGISTERED OFFICE

The registered office shall be at such place as decided by the Board from time to time.

5. AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company shall consist of NIS 1,000,000 (one million New Israeli Shekels) divided into 100,000,000 (one hundred million) Ordinary Shares.

6. **RIGHTS ATTACHING TO THE ORDINARY SHARES**

6.1. The Ordinary Shares shall rank *pari passu* between them in all respects.

6.2. The Ordinary Shares in respect of which all calls have been fully paid shall confer on the holders thereof the right to attend and to vote at General Meetings of the Company, both annual as well as extraordinary meetings. Each Ordinary Share shall confer on its holder one vote at a General Meeting of the Company.

6.3. The Ordinary Shares shall confer on a holder thereof the right to receive a dividend, to participate in a distribution of bonus shares and to participate in the distribution of the assets of the Company upon its winding-up, pro rata to the nominal amount paid up on the shares or credited as paid up in respect thereof, and without reference to any premium which may have been paid in respect thereof.

7. **MODIFICATION OF CLASS RIGHTS**

7.1. Subject to applicable law, if at any time the share capital of the Company is divided into different classes of shares and unless the terms of issue of such class of shares otherwise stipulate, the rights attaching to any class of shares (including rights prescribed in the terms of issue of the shares) may be altered, modified or canceled by a resolution passed at a separate class meeting of the shareholders of that class.

7.2. The provisions contained in these Articles with regard to General Meetings shall apply, *mutatis mutandis* as the case may be, to every class meeting of the holders of each such class of the Company's shares.

7.3. Unless otherwise provided by these Articles, the increase of an authorized class of shares, or the issuance of additional shares thereof out of the authorized and unissued share capital, shall not be deemed, for purposes of this Article 7, to modify or abrogate the rights attached to previously issued shares of such class or of any other class.

8. **UNISSUED SHARE CAPITAL**

8.1. The unissued shares in the capital of the Company shall be under the control of the Board (and, to the full extent permitted by law, any committee designated thereby), which shall be entitled to issue or otherwise grant the same to such persons under such restrictions and conditions as it shall deem fit, whether for consideration or otherwise, and whether for consideration in cash or for consideration which is not in cash, above their nominal value or at a discount, all on such conditions, in such manner and at such times as the Board shall deem fit, subject to the provisions of the Companies Law. The Board shall be entitled, *inter alia*, to differentiate between shareholders with regard to the amounts of calls in respect of the allotment of shares (to the extent that there are calls) and with regard to the time for payment thereof. The Board may also issue options or warrants for the purchase of shares of the Company and prescribe the manner of the exercise of such options or warrants, including the time and price for such exercise and any other provision which is relevant to the method for distributing the issued shares of the Company amongst the purchasers thereof.

8.2. The Board shall be entitled to prescribe the times for the issue of shares of the Company and the conditions therefor and any other matter which may arise in connection with the issue thereof.

8.3. In every case of a rights offering the Board shall be entitled, in its discretion, to resolve any problems and difficulties arising or that are likely to arise in regard to fractions of rights, and without prejudice to the generality of the foregoing, the Board shall be entitled to specify that no shares shall be allotted in respect of fractions of rights, or that fractions of rights shall be sold and the net proceeds shall be paid to the persons entitled to the fractions of rights, or, in accordance with a decision by the Board, to the benefit of the Company.

9. **INCREASE OF CAPITAL; ALTERATIONS TO CAPITAL**

9.1. The Company may, from time to time, by a resolution of the shareholders at a General Meeting, increase its share capital by way of the creation of new shares, whether or not all the existing shares have been issued up to the date of the resolution, whether or not it has been decided to issue same, and whether or not calls have been made on all the issued shares.

9.2. The increase of share capital shall be in such amount and divided into shares of such nominal value, and with such restrictions and conditions and with such rights and privileges as the resolution dealing with the creation of the shares prescribes, and if no provisions are contained in the resolution, then as the Board shall prescribe.

9.3. Unless otherwise stated in the resolution approving the increase of the share capital, the new shares shall be subject to those provisions in regard to issue, allotment, alteration of rights, payment of calls, liens, forfeiture, transfer, transmission and other provisions which apply to the shares of the Company.

9.4. By resolution of the shareholders in a General Meeting, the Company may, subject to any applicable provisions of the Companies Law:

9.4.1. consolidate its existing share capital, or any part thereof, into shares of a larger denomination than the existing shares;

9.4.2. sub-divide its share capital, in whole or in part, into shares of a smaller denomination than the nominal value of the existing shares and without prejudice to the foregoing, one or more of the shares so created may be granted any preferred or deferred rights or any special rights with regard to dividends, participation in assets upon winding-up, voting and so forth, subject to the provisions of these Articles;

9.4.3. reduce its share capital; or

9.4.4. cancel any shares which on the date of passing of the resolution have not been issued and to reduce its share capital by the amount of such shares.

9.5. In the event that the Company's shareholders shall adopt any of the resolutions described in Article 9.4 above, the Board shall be entitled to prescribe arrangements necessary in order to resolve any difficulty arising or that are likely to arise in connection with such resolutions, including, in the event of a consolidation, it shall be entitled to (i) allot, in contemplation of or subsequent to such consolidation or other action, shares or fractional shares sufficient to preclude or remove fractional share holdings; (ii) redeem, in the case of redeemable shares, and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings; (iii) round up, round down or round to the nearest whole number, any fractional shares resulting from the consolidation or from any other action which may result in fractional shares; or (iv) cause the transfer of fractional shares by certain

shareholders to other shareholders thereof so as to most expediently preclude or remove any fractional shareholdings, and, cause the transferees of such fractional shares to pay the transferors thereof the fair value thereof, and the Board is hereby authorized to act in connection with such transfer, as agent for the transferors and transferees of any such fractional shares, with full power of substitution, for the purposes of implementing the provisions of this Article 9.5.

10. **SHARE CERTIFICATES**

10.1. Uncertificated Shares.

10.1.1. Unless otherwise determined by the Board the shares shall not be certificated.

10.1.2. Subject to Article 25.3 hereinbelow, the Company shall maintain a "Primary Register", as such term is defined under Section 138(b) of the Companies Law, at the Office and an "Additional Register", as such term is defined under Section 138(a) of the Companies Law.

10.2. Certificated Shares.

To the extent shares are certificated:

10.2.1. Share certificates evidencing title to the shares of the Company shall be issued under the seal or rubber stamp of the Company, and together with the signatures of two members of the Board, or one director together with the Chief Executive Officer, the Chief Financial Officer or any other person designated by the Board. The Board shall be entitled to decide that the signatures be effected in any mechanical or electronic form, provided that the signature shall be effected under the supervision of the Board in such manner as it prescribes.

10.2.2. Every shareholder shall be entitled, free of charge, to one certificate in respect of all the shares of a single class registered in his name in the Register.

10.2.3. The Board shall not refuse a request by a shareholder to obtain several certificates in place of one certificate, unless such request is, in the opinion of the Board, unreasonable. Where a shareholder has sold or transferred some of his shares, he shall be entitled, free of charge, to receive a certificate in respect of his remaining shares, provided that the previous certificate is delivered to the Company before the issuance of a new certificate.

10.2.4. Every share certificate shall specify the number of the shares in respect of which such certificate is issued and also the amounts which have been paid up in respect of each share.

10.2.5. A share certificate registered in the names of two (2) or more persons shall be delivered to one of the joint holders, and the Company shall not be obliged to issue more than one certificate to all the joint holders of shares and the delivery of such certificate to one (1) of the joint holders shall be deemed to be delivery to all of them.

10.2.6. If a share certificate should be lost, destroyed or defaced, the Board shall be entitled to issue a new certificate in its place, provided that the certificate is delivered to it and destroyed by it, or it is proved to the satisfaction of the Board that the certificate was lost or destroyed and security has been received to its satisfaction in respect of any possible damages and after payment of such amount as the Board shall prescribe.

10.3. No person shall be recognized by the Company as having any right to a share unless such person is the registered owner of the shares in the Register. The Company shall not be bound by and shall not recognize any right or privilege pursuant to the laws of equity, or a fiduciary relationship or a chose in action, future or partial, in any share, or a right or privilege to a fraction of a share, or (unless these Articles otherwise direct) any other right in respect of a share, except the absolute right to the share as a whole, where same is vested in the owner registered in the Register.

11. **TRANSFER AND TRANSMISSION OF SHARES**

11.1. No transfer of shares shall be registered unless a proper instrument of transfer is delivered to the Company or, in the case of shares registered with a transfer agent, delivered to such transfer agent or to such other place specified for this purpose by the Board. Subject to the provisions of these Articles, an instrument of transfer of a share in the Company shall be signed by the transferor and the transferee. Notwithstanding anything to the contrary herein, shares registered in the name of The Depository Trust Company or its nominee shall be transferrable in accordance with the policies and procedures of The Depository Trust Company. The Board may approve other methods of recognizing the transfer of shares in order to facilitate the trading of the Company's shares on the NASDAQ or on any other stock exchange. The transferor shall be deemed to remain the holder of the share up until the time the name of the transferee is registered in the Register in respect of the transferred share.

11.2. Insofar as the circumstances permit, the instrument of transfer of a share shall be substantially in the form set out below, or in any other form that the Board may approve.

I , I.D. of (the "**Transferor**"), in consideration for an amount of (in words) paid to me by I.D. of (hereinafter: the "**Transferee**"), hereby transfer to the Transferee shares of nominal value NIS each, marked with the numbers to (inclusive) of UroGen Pharma Ltd., to be held by the Transferee, the assignee of his rights and his successors-in title, under all the same conditions under which I held same prior to the signing of this instrument, and I, the Transferee, hereby agree to accept the aforementioned shares in accordance with the above mentioned conditions.

In witness whereof we have hereunto signed this day of 20 .

Transferor Transferee

Witnesses to Signature

11.3. The Company may close the transfer registers and the Register for such period of time as the Board shall deem fit.

11.4. Every instrument of transfer shall be submitted to the Office or to such other place as the Board shall prescribe, for purposes of registration, together with the share certificates to be transferred, or if no such certificate was issued, together with a letter of allotment of the shares to be transferred, and such other proof as the Board may demand in regard to the transferor's right of title or his right to transfer the shares. The Board shall have the right to refuse to recognize an assignment of shares until the appropriate securities under the circumstances have been provided, as shall be determined by the Board in a specific case or from time to time in general. Instruments of transfer which serve as the basis for transfers that are registered shall remain with the Company.

11.5. Every instrument of transfer shall relate to one class of shares only, unless the Board shall otherwise agree.

11.6. The executors of the will or administrator of a deceased shareholder's estate (such shareholder not being one of a joint owners of a share) or, in the absence of an administrator of the estate or executor of the will, the persons specified in Article 11.7 below, shall be entitled to demand that the Company recognize them as owners of rights in the share. The provisions of Article 11.4 above shall apply, mutatis mutandis, also in regard to this Article.

11.7. In the case of the death of one of the holders of a share registered in the names of two or more persons, the Company shall recognize only the surviving owners as persons having rights in the share. However, the aforementioned shall not be construed as releasing the estate of a deceased joint shareholder from any and all undertakings in respect of the shares. Any person who shall become an owner of shares following the death of a shareholder shall be entitled to be registered as owner of such shares after having presented to an officer of the Company to be designated by the Chief Executive Officer an inheritance order or probation order or order of appointment of an administrator of estate and any other proof as required - if these are sufficient in the opinion of such officer - testifying to such person's right to appear as shareholder in accordance with these Articles, and which shall testify to his title to such shares. The provisions of Article 11.4 above shall apply, *mutatis mutandis*, also in regard to this Article.

11.8. The receiver or liquidator of a shareholder who is a company or the trustee in bankruptcy or the official receiver of a shareholder who is bankrupt, upon presenting appropriate proof to the satisfaction of an officer of the Company to be designated by the Chief Executive Officer that such shareholder has the right to appear in this capacity and which testifies to such shareholder's title, may, with the consent of the Board (the Board shall not be obligated to give such consent) be registered as the owner of such shares. Furthermore, such shareholder may assign such shares in accordance with the rules prescribed in these Articles. The provisions of Article 11.4 above shall apply, *mutatis mutandis*, also in regard to this Article.

11.9. A person entitled to be registered as a shareholder following assignment pursuant to these Articles shall be entitled, if approved by the Board and to the extent and under the conditions prescribed by the Board, to dividends and any other monies paid in respect of the shares, and shall be entitled to give the Company confirmation of the payments; *however*, he shall not be entitled to be present or to vote at any General Meeting of the Company or, subject to the provisions of these Articles, to make use of any rights of shareholders, until he has been registered as owner of such shares in the Register.

12. **GENERAL MEETING**

12.1. A General Meeting shall be held at least once every year, not later than fifteen (15) months after the last General Meeting, at such time and at such place as the Board shall determine either within or outside the State of Israel. Such General Meeting shall be called an annual meeting, and all other meetings of the shareholders shall be called extraordinary meetings.

12.2. The Board may call an extraordinary meeting whenever it sees fit to do so.

12.3. The Board shall be obliged to call an extraordinary meeting upon a requisition in writing in accordance with the Companies Law.

12.4. The Company shall provide prior notice in regard to the holding of an annual meeting or an extraordinary meeting in accordance with the requirements of these Articles, and the Companies Law. Subject to the provisions of the Companies Law, in counting the number of days of prior notice given, the day of publication of notice shall not be counted, but the day of the meeting shall be counted. The notice shall specify those items and contain such information as shall be required by the Companies Law and any other applicable law and regulations.

12.5. Any shareholder holding at least 1% (one percent) of the outstanding voting rights requesting to add an item to the agenda of a General Meeting (a **"Proposing Shareholder"**) may submit such a request in accordance with the Companies Law (a **"Proposal Request"**). Subject to any requirements under the Companies Law, to be considered timely and thereby be added to such agenda, a Proposal Request must be delivered, either in person or by certified mail, postage prepaid, and received at the Office, (i) in the case of a General Meeting that is an annual meeting, no less than sixty (60) days nor more than one-hundred twenty (120) days prior to the date of the first anniversary of the preceding year's annual meeting, *provided*, *however*, that, in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the Proposing Shareholder, in order to be timely, must be received no earlier than the close of business one-hundred twenty (120) days prior to such annual meeting and no later than the close of business on the later of ninety (90) days prior to such annual meeting or the tenth (10^{th}) day following the day on which public announcement of the date of such meeting is first made, and (ii) in the case of a General Meeting that is an extraordinary meeting, no earlier than one-hundred twenty (120) days prior to such extraordinary meeting and no later than the close of business on the later of sixty (60) days prior to such extraordinary meeting or the tenth (10^{th}) day following the day on which public announcement of the date of such meeting is first made, subject to applicable law.

12.6. A Proposal Request shall also set forth: (i) the name and address of the Proposing Shareholder making the request; (ii) a representation that the Proposing Shareholder is a holder of shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting; (iii) a description of all arrangements or understandings between the Proposing Shareholder and any other person or persons (naming such person or persons) in connection with the subject which is requested to be included in the agenda; (iv) a description of all Derivative

Transactions (as defined below) by the Proposing Shareholder during the previous twelve (12) month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions; and (v) a declaration that all the information that is required under the Companies Law and any other applicable law to be provided to the Company in connection with such subject, if any, has been provided. Furthermore, the Board, may, in its discretion, to the extent it deems necessary, request that the Proposing Shareholder(s) provide additional information necessary so as to include a subject in the agenda of a General Meeting, as the Board may reasonably require. The information required pursuant to this Article 12.6 shall be updated as of the date the Proposing Shareholder submits the Proposal Request.

12.7. A **"Derivative Transaction"** means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proposing Shareholder or any of its affiliates or associates, whether of record or beneficial: (a) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the Company, (b) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the Company, (c) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or (d) which provides the right to vote or increase or decrease the voting power of such Proposing Shareholder, or any of its affiliates or associates, with respect to any shares or other securities of the Company, which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proposing Shareholder in the shares or other securities of the Company held by any general or limited partnership, or any limited liability company, of which such Proposing Shareholder is, directly or indirectly, a general partner or managing member.

12.8. Subject to Article 13.9 below, in the event that the Company has established that an adjourned meeting shall be held on such date which is later than the date provided for in Section 78(b) of the Companies Law, such later date shall be included in the notice. The Company may add additional places for shareholders to review the full text of the proposed resolutions, including an internet site. The notice shall be provided in the manner prescribed in Article 27. In no event shall the public announcement of an adjournment or postponement of a General Meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

12.9. Subject to any requirements under the Companies Law, nominations of persons for election to the Board may only be made at an extraordinary meeting if directors are to be elected at such meeting (a) by or at the direction of the Board, or (b) by any shareholder who is entitled to vote at the meeting and who complies with the notice procedures set forth in Article 12.6 above.

13. PROCEEDINGS AT GENERAL MEETING

13.1. No business shall be conducted at a General Meeting unless a quorum is present, and no resolution shall be passed unless a quorum is present at the time the

resolution is voted on. Except in cases where it is otherwise stipulated, a quorum shall be constituted when there are personally present, or represented by proxy, at least two (2) shareholders who hold, in the aggregate, at least thirty-three and one-third percent (33 1/3%) of the voting rights in the Company. A proxy may be deemed to be two (2) or more shareholders pursuant to the number of shareholders he represents.

13.2. If within half an hour from the time appointed for the meeting, a quorum is not present, without there being an obligation to notify the shareholders to that effect, the meeting shall be adjourned to the same day in the following week, at the same hour and at the same place or to a later time and date if so specified in the notice of the meeting, unless such day shall fall on a statutory holiday (either in Israel or in the United States), in which case the meeting will be adjourned to the first Business Day afterwards.

13.3. If the original meeting was convened upon requisition under Section 63 of the Companies Law, one or more shareholders, present in person or by proxy and holding the number of shares required for making such requisition, shall constitute a quorum at the adjourned meeting, but in any other case any two (2) shareholders present in person or by proxy shall constitute a quorum at the adjourned meeting.

13.4. The Chairman of the Board, or any other person appointed for this purpose by the Board, shall preside at every General Meeting. If within fifteen (15) minutes from the time appointed for the meeting, the designated chairman for the meeting shall not be present, the shareholders present at the meeting shall elect one of their number to serve as chairman of the meeting.

13.5. Except as required under the Companies Law or these Articles, any resolution of the shareholders shall be adopted by a majority of the voting power present and voting on such resolution at the applicable General Meeting, in person or by proxy. Each shareholder shall be entitled to the number of votes to which such shareholder is entitled on the basis of the number of Ordinary Shares held by such shareholder and shall vote all of the Ordinary Shares or any part thereof at his sole discretion.

13.6. Where a poll has been demanded, the chairman of the meeting shall be entitled - but not obliged - to accede to the demand. Where the chairman of the meeting has decided to hold a poll, such poll shall be held in such manner, at such time and at such place as the chairman of the meeting directs, either immediately or after an interval or postponement, or in any other way, and the results of the vote shall be deemed to be the resolution at the meeting at which the poll was demanded. A person demanding a poll may withdraw his demand prior to the poll being held.

13.7. A demand for the holding of a poll shall not prevent the continued business of the meeting on all other questions apart of the question in respect of which a poll was demanded.

13.8. The announcement by the chairman of the meeting that a resolution has been passed unanimously or by a particular majority, or has been rejected, and a note recorded to that effect in the Company’s minute book, shall serve as prima facie proof of such fact, and there shall be no necessity for proving the number of votes or the proportion of votes given for or against the resolution, unless otherwise required under applicable law and regulation.

13.9. The chairman of a General Meeting at which a quorum is present may, with the consent of holders of a majority of the voting power represented in person and by proxy and voting on the question of adjournment, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. Subject to these Articles, it shall not be necessary to give any notice of an adjournment unless the meeting is adjourned for more than twenty-one (21) days, in which case notice thereof shall be given in the manner required for the meeting as originally called. Where a General Meeting has been adjourned without changing its agenda, to a date which is not more than twenty-one (21) days, notices shall be given for the new date, as early as possible, and by no later than seventy-two (72) hours before the General Meeting.

14. **VOTES OF SHAREHOLDERS**

14.1. The voting rights of every shareholder entitled to vote at a General Meeting shall be as set forth in Article 6.2 of these Articles.

14.2. In the case of joint shareholders, the vote of the senior joint holder, given personally or by proxy, shall be accepted, to the exclusion of the vote of the remaining joint shareholders, and for these purposes the senior of the joint shareholders shall be the person amongst the joint holders whose name appears first in the Register.

14.3. A shareholder who is an Incapacitated Person may vote solely through his guardian or other person who fulfills the function of such guardian and who was appointed by a court or other competent authority, and any guardian or other person as aforesaid shall be entitled to vote by way of a proxy, or in such manner as the court or other competent authority directs.

14.4. Any corporation which is a shareholder of the Company shall be entitled, by way of resolution of its board of directors or another organ which manages said corporation, to appoint such person which it deems fit, whether or not such person is a shareholder of the Company, to act as its representative at any General Meeting of the Company or at a meeting of a class of shares in the Company which such corporation is entitled to attend and to vote thereat, and the appointed as aforesaid shall be entitled, on behalf of the corporation whom he represents, to exercise all of the same powers and authorities which the corporation itself could have exercised had it been a natural person holding shares of the Company.

14.5. Every shareholder who is entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy. A proxy can be appointed by more than one shareholder and vote in different ways on behalf of each principal.

14.6. The instrument appointing a proxy shall be in writing signed by the person making the appointment or by his authorized representative, and if the person making the appointment is a corporation, the power of attorney shall be signed in the manner in which the corporation signs on documents which bind it, and a certificate of an attorney with regard to the authority of the signatories to bind the corporation shall be attached thereto. The proxy need not be a shareholder of the Company.

14.7. The instrument appointing a proxy, or a copy thereof certified by an attorney, shall be lodged at the Office, or at such other place as the Board shall specify, not less than forty-eight (48) hours prior to the General Meeting at which the proxy intends to vote based on such instrument of proxy. Notwithstanding the above, the chairman of the meeting shall have the right to waive the time requirement provided

above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of a General Meeting. A document appointing a proxy shall be valid for every adjourned meeting of the General Meeting to which the document relates.

14.8. Every instrument appointing a proxy, whether for a meeting specifically indicated, or otherwise, shall, as far as circumstances permit, be substantially in the following form, or in any other form approved by the Board:

> I of being a shareholder holding shares in UroGen Pharma Ltd., hereby appoint Mr. of or failing him, Mr. of , or failing him, Mr. of , to vote in my name, place and stead at the (ordinary/extraordinary) General Meeting of the Company to be held on the of 20 , and at any adjourned meeting thereof.
>
> In witness whereof I have hereto set my hand on the day of .

14.9. No shareholder shall be entitled to vote at a General Meeting unless he has paid all of the calls and all of the amounts due from him, for the time being, in respect of his shares.

14.10. A vote given in accordance with the instructions contained in an instrument appointing a proxy shall be valid notwithstanding the death or bankruptcy of the appointer, or the revocation of the proxy, or the transfer of the share in respect of which the vote was given as aforesaid, unless notice in writing of the death, revocation or transfer is received at the Office, or by the chairman of the meeting, prior to such vote.

14.11. Subject to the Companies Law, an instrument appointing a proxy shall be deemed revoked (i) upon receipt by the Company or the chairman of the meeting, subsequent to receipt by the Company of such instrument, of written notice signed by the person signing such instrument or by the shareholder appointing such proxy canceling the appointment thereunder (or the authority pursuant to which such instrument was signed) or of an instrument appointing a different proxy, provided such notice of cancellation or instrument appointing a different proxy were so received at the place and within the time for delivery of the instrument revoked thereby as referred to in Article 14.7 hereof, or (ii) if the appointing shareholder is present in person at the meeting for which such instrument of proxy was delivered, upon receipt by the chairman of such meeting of written notice from such shareholder of the revocation of such appointment, or if and when such shareholder votes at such meeting. A vote cast in accordance with an instrument appointing a proxy shall be valid notwithstanding the revocation or purported cancellation of the appointment, or the presence in person or vote of the appointing shareholder at a meeting for which it was rendered, unless such instrument of appointment was deemed revoked in accordance with the foregoing provisions of this Article 14.11 at or prior to the time such vote was cast.

15. **THE BOARD OF DIRECTORS**

15.1. The prescribed number of directors of the Company shall be between five (5) and nine (9) (including the External Directors, if any), as may be fixed from time to time by a two-thirds (2/3) majority of the then incumbent directors. Any director shall be eligible for re-election upon termination of his term of office, subject to applicable law.

15.2. Prior to every annual General Meeting of the Company, the Board (or a duly authorized committee of the Board) may select, via a resolution adopted by a majority of the Board (or such committee), a number of persons to be proposed to the shareholders for election as directors at such annual General Meeting for service until the next annual General Meeting (the "**Nominees**").

15.3. The Nominees shall be elected by a resolution at the annual General Meeting at which they are subject to election.

15.4. Every director, other than External Directors, shall hold office until the end of the next annual General Meeting following the annual General Meeting at which he was elected, unless his office is vacated in accordance with Articles 15.7 or 16.5 below. If, at an annual General Meeting, no Nominees are proposed by either the Board or shareholders, or if no Nominees are elected, the directors then in office shall continue to hold office until the convening of a General Meeting at which Nominees shall be proposed and elected.

15.5. If the office of a director shall be vacated, or if the number of incumbent directors is less than the maximum prescribed by Article 15.1 above, leaving one or more available offices unfilled, the majority of the remaining incumbent members of the Board shall be entitled to appoint another director in place of each director whose office has become or remains vacated, and such Board-appointed director (or directors) shall hold office until replaced in the manner set out in Article 15.4 above. This Article 15.5 shall not apply to a vacated office of an External Director, which may be filled only in accordance with Article 15.9 below, unless there are two (2) or more External Directors in office at that time in addition to the vacated office.

15.6. The directors in their capacity as such shall be entitled to receive remuneration as shall be determined in compliance with the Companies Law. The conditions (including remuneration) of the terms of office of members of the Board shall be decided by the Board or any duly authorized committee thereof, but the same shall be valid only if ratified in the manner required under the Companies Law. The remuneration of directors may be fixed as an overall payment or other consideration or as a payment or other consideration in respect of attendance at meetings of the Board or a committee thereof, or a combination of both. In addition to his remuneration, each director shall be entitled to be reimbursed, retroactively or in advance, in respect of his reasonable expenses connected with performing his functions and services as a director. Such entitlement shall be determined in accordance with, and shall be subject to, a specific resolution or policy adopted by the Board regarding such matter and in accordance with the requirements of applicable law.

15.7. Subject to the provisions of the Companies Law with regard to External Directors and subject to Article 15.4 above and Article 16.5 below, the office of a member of the Board shall be vacated in any one of the following events:

15.7.1. if he resigns his office by way of a letter signed by him, lodged at the Office;

15.7.2. if he is declared bankrupt;

15.7.3. if he becomes insane or unsound of mind;

15.7.4. upon his death;

15.7.5. if he is prevented by applicable law from serving as a director of the Company;

15.7.6. if the Board terminates his office in accordance with Section 231 of the Companies Law;

15.7.7. if a court order is given in accordance with Section 233 of the Companies Law;

15.7.8. if he is removed from office by a resolution at a General Meeting adopted by a majority of the voting power in the Company; or

15.7.9. if his period of office has terminated in accordance with the provisions of these Articles.

15.8. If the office of a member of the Board should be vacated, the remaining members of the Board shall be entitled to continue to act for all purposes for as long as their number does not fall below the minimum, as prescribed in Article 15.1 above, without limiting their right to fill any vacancy at any time in accordance with Article 15.5 above. Should their number fall below the aforesaid minimum, the directors shall not be entitled to act, except for the appointment of additional directors, or for the purpose of calling a General Meeting for the appointment of additional directors, or for the purpose of calling a General Meeting for the appointment of a new Board.

15.9. The office of an External Director shall be vacated and an External Director may be removed and replaced only in accordance with the provisions for vacation of office, removal and appointment of External Directors under the Companies Law.

16. OTHER PROVISIONS REGARDING DIRECTORS

16.1. Subject to any mandatory provisions of applicable law, a director shall not be disqualified by virtue of his office from holding another office in the Company or in any other company in which the Company is a shareholder or in which it has any other form of interest, or of entering into a contract with the Company, either as seller or buyer or otherwise. Likewise, no contract made by the Company or on its behalf in which a director has any form of interest may be nullified and a director shall not be obliged to account to the Company for any profit deriving from such office, or resulting from such contract, merely by virtue of the fact that he serves as a director or by reason of the fiduciary relationship thereby created, but such director shall be obliged to disclose to the Board the nature of any such interest at the first opportunity.

16.2. A general notice to the effect that a director is a shareholder or has any other form of interest in a particular firm or a particular company and that he must be deemed to have an interest in any business with such firm or company shall be deemed to be adequate disclosure for purposes of this Article in relation to such director, and after such general notice has been given, such director shall not be obliged to give special notice in relation to any particular business with such firm or such company.

16.3. Subject to the provisions of the Companies Law and these Articles, the Company shall be entitled to enter into a transaction in which an Office Holder of the Company has a personal interest, directly or indirectly, and may enter into any contract or otherwise transact any business with any third party in which contract or business an Office Holder has a personal interest, directly or indirectly.

16.4. The Board by regular majority shall elect one (1) of its members to serve as chairman (the "**Chairman of the Board**"), *provided* that, subject to the provisions of Section 121(c) of the Companies Law, the Chief Executive Officer of the Company shall not serve as Chairman of the Board. The office of Chairman of the Board shall be vacated if the Board by regular majority determines to dismiss the Chairman of the Board prior to the end of his term of office, or in each of the cases mentioned in Articles 15.7 above and Article 16.5 below. The Board may also elect one (1) of its members to serve as Vice Chairman, who shall have such duties and authorities as the Board may assign to him.

16.5. Subject to the relevant provisions of the Companies Law, the Company may, in a General Meeting, by a resolution adopted by a majority of the voting power in the Company, dismiss any director prior to the end of his term of office, and the Board shall be entitled, by regular majority, to appoint another individual in his place as a director. The individual so appointed shall hold such office only for that period of time during which the director whom he replaces would have held office. This Article 16.5 shall not apply to External Directors, who shall be appointed and removed in accordance with the Companies Law.

16.6. A director shall not be obliged to hold any share in the Company.

17. PROCEEDINGS OF THE BOARD OF DIRECTORS

17.1. The Board shall convene for a meeting at least once every calendar quarter.

17.2. The Board may meet in order to exercise its powers pursuant to Section 92 of the Companies Law, including without limitation to supervise the Company's affairs, and it may, subject to the provisions of the Companies Law, adjourn its meetings and regulate its proceedings and operations as it deems fit. It may also prescribe the quorum required for the conduct of business. Until otherwise decided by the Board, a quorum shall be constituted if a majority of the directors holding office for the time being are present.

17.3. Should a director or directors be barred from being present and voting at a meeting of the Board pursuant to Section 278 of the Companies Law, the quorum shall be a majority of the directors entitled to be present and to vote at the meeting of the Board.

17.4. Any director, the Chief Executive Officer or the auditor of the Company in the event stipulated in Section 169 of the Companies Law, may, at any time, demand the convening of a meeting of the Board. The Chairman of the Board shall be obliged, on such demand, to call such meeting within a reasonable time from receipt of a request by the director, the Chief Executive Officer or the auditor of the Company soliciting such a meeting, provided that proper notice pursuant to Article 17.5 is given.

17.5. Every director shall be entitled to receive notice of meetings of the Board, and such notice may be in writing or by facsimile, or electronic mail, sent to the last address (whether physical or electronic) or facsimile number given by the director for purposes of receiving notices, *provided* that the notice shall be given at least a reasonable amount of time prior to the meeting and in no event less than twenty four (24) hours prior notice, unless the urgency of the matter to be discussed at the meeting reasonably requires a shorter notice period.

17.6. Every meeting of the Board at which a quorum is present shall have all the powers and authorities vested for the time being in the Board. Any matter discussed in a meeting and brought up for decision by the Chairman of the Board shall be decided by a simple majority of the directors attending such meeting and voting on such matter. In the case of an equality of votes of the Board, the Chairman of the Board shall not have a second or casting vote, and the proposal shall be deemed to be defeated.

17.7. If the Chairman of the Board is not present within thirty (30) minutes after the time appointed for the meeting, the directors present shall elect one of their members to preside at such meeting.

17.8. The Board may adopt resolutions, without actually convening a meeting of the Board, provided that all the directors entitled to participate in the meeting and to vote on the subject brought for decision agree thereto. If resolutions are made as stated in this Article 17.8, the Chairman of the Board shall record minutes of the decisions stating the manner of voting of each director on the subjects brought for decision, as well as the fact that all the directors agreed to take the decision without actually convening.

17.9. The Board may hold meetings by use of any means of communication, on condition that all participating directors can hear each other at the same time. In the case of a resolution passed by way of a telephone call or any such other means of communication, a copy of the text of the resolution shall be sent, as soon as possible thereafter, to the directors.

18. GENERAL POWERS OF THE BOARD OF DIRECTORS

18.1. The supervision of the Company's affairs shall be in the hands of the Board, which shall be entitled to exercise all of the powers and authorities and to perform any act and deed which the Company is entitled to exercise and to perform in accordance with these Articles, and in respect of which there is no mandatory provision or requirement in the Companies Law or in binding rules and regulations of the United States that such powers and authorities be exercised or performed by the shareholders in a General Meeting or by a committee.

18.2. The Board may, from time to time, in its absolute discretion, borrow or secure any amounts of money required by the Company for the conduct of its business. The Board shall be entitled to raise or secure the repayment of an amount obtained by it, in such way and on such conditions and times as it deems fit.

18.3. The Board shall be entitled to issue documents of undertaking, such as options, debentures or debenture stock, whether linked or redeemable, convertible debentures or debentures convertible into other securities, or debentures which carry a right to purchase shares or to purchase other securities, or any mortgage, pledge, collateral or other charge over the property of the Company and its undertaking, in whole or in part, whether present or future, including the uncalled share capital or the share capital which has been called but not yet paid. The deeds of undertaking, debentures of various types or other forms of collateral security may be issued at a discount, at a premium or otherwise and with such preferential or deferred or other rights, as the Board shall, from time to time, decide.

18.4. The Board may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board, in its absolute discretion, shall deem fit, including without limitation, capitalization and distribution of bonus shares, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments and dispose of all or any part thereof and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or re-designate any reserve or cancel the same or apply the funds therein for other purposes, all as the Board may from time to time think fit.

19. **BOARD COMMITTEES**

19.1. The Board may, as it deems fit and subject to any applicable law, delegate to a committee certain of its powers and authorities, in whole or in part, as it deems appropriate. The curtailment or revocation of the powers and authorities of a committee by the Board shall not invalidate a prior act of such committee or an act taken in accordance with its instructions, which would have been valid had the powers and authorities of the committee not been altered or revoked by the Board.

19.2. The meetings and proceedings of every such committee which is comprised of two (2)/or a higher minimum number of members required under the Companies Law (or applicable U.S. regulations that the Company has elected to follow in lieu of the Companies law), or more members shall be conducted in accordance with the provisions contained in these Articles in regard to the conduct of meetings and proceedings of the Board to the extent that the same are suitable for such committee, and so long as no provisions have been adopted in replacement thereof by the Board.

20. **RATIFICATION OF ACTIONS**

20.1. Subject to the Companies Law, all acts taken in good faith by the Board or a committee or by an individual acting as a member thereof shall be valid even if it is subsequently discovered that there was a defect in the appointment of the Board, the committee or the member, as the case may be, or that the members, or one of them, was or were disqualified from being appointed as a director(s) or to a committee.

20.2. The Board or any committee may ratify any act the performance of which at the time of the ratification was within the scope of the authority of the Board or the relevant committee. The General Meeting shall be entitled to ratify any act taken by the Board or any committee without authority or which was tainted by some other defect. From the time of the ratification, every act ratified as aforesaid, shall be treated as though lawfully performed from the outset.

21. **SIGNING POWERS**

21.1. Subject to any other resolution on the subject passed by the Board, the Company shall be bound only pursuant to a document in writing bearing its seal or its rubber stamp or its printed name, and the signature of whomever may be authorized by the Board, which shall be entitled to empower any person, either alone or jointly with another, even if he is not a shareholder or a director, to sign and act in the name and on behalf of the Company.

21.2. The Board shall be entitled to prescribe separate signing power in regard to different businesses of the Company and in respect of the limit of the amounts in respect of which various persons shall be authorized to sign.

22. **CHIEF EXECUTIVE OFFICER**

22.1. The Board shall, from time to time, appoint a Chief Executive Officer and subject to the provisions of the Companies Law delineate his powers and authorities and his remuneration. Subject to any contract between the Chief Executive Officer and the Company, the Board may dismiss him or replace him at any time it deems fit.

22.2. A Chief Executive Officer need not be a director or shareholder. Subject to the provisions of any contract between the Chief Executive Officer and the Company, if the Chief Executive Officer is also a director, all of the same provisions with regard to appointment, resignation and removal from office shall apply to the Chief Executive Officer in his capacity as a director, as applicable to the Company's other directors.

22.3. The Board shall be entitled from time to time to delegate to the Chief Executive Officer for the time being such of the powers it has pursuant to these Articles as it deems appropriate. The Board shall be entitled to grant such powers for such period, for such purposes, on such conditions and with such restrictions as it deems appropriate, and it shall be entitled to grant such powers without renouncing the powers and authorities of the Board in such regard. The Board may revoke, annul and alter such delegated powers and authorities, in whole or in part, at any time.

22.4. Subject to the provisions of any applicable law, the remuneration of the Chief Executive Officer shall be fixed from time to time by the Board (and, so long as required by the Companies Law, shall be approved by the Compensation Committee and by the shareholders unless exempted from shareholders' approval) and such remuneration may be in the form of a fixed salary or commissions or a participation in profits, or combination thereof, or in any other manner which may be decided by the Board and approved according to this Article 22.4.

23. **SECRETARY, OFFICE-HOLDERS, CLERKS AND REPRESENTATIVES**

23.1. The Board shall be entitled, from time to time, to appoint, or to delegate to the Chief Executive Officer, either alone or together with other persons designated by the Board, the ability to appoint Office Holders (other than directors), a Secretary for the Company, employees and agents to such permanent, temporary or special positions, and to specify and change their titles, authorities and duties, and may set, or delegate to the Chief Executive Officer, either alone or together with other persons designated by the Board, the ability to set salaries, bonuses and other compensation of any employee or agent who is not an Office Holder. Salaries, bonuses and compensation of Office Holders who are not directors shall be determined and approved by the Chief Executive Officer, or in such other manner as may be required from time to time under the Companies Law. The Board, or the Chief Executive Officer, either alone or together with other persons designated by the Board (in the case of any Office Holder who is not a director, employee or agent appointed by the Board), shall be entitled at any time, in its, his or their (as applicable) sole and absolute discretion, to terminate the services of one of more of the foregoing persons (in the case of a director, however, subject to compliance with Article 16.5 above), subject to any other requirements under applicable law.

23.2. The Board and the Chief Executive Officer may from time to time and at any time, subject to their powers under these Articles and the Companies Law, empower any person to serve as representative of the Company for such purposes and with such powers and authorities, instructions and discretions for such period and

subject to such conditions as the Board or the Chief Executive Officer, as the case may be, shall deem appropriate. The Board or Chief Executive Officer may grant such person, inter alia, the power to further delegate the authority, powers and discretions vested in him, in whole or in part. The Board or the Chief Executive Officer, as the case may be, may revoke, annul, vary or change any such power or authority, or all such powers or authorities collectively.

24. DIVIDENDS, BONUS SHARES, FUNDS AND CAPITALIZATION OF FUNDS AND PROFITS

24.1. Unless otherwise permitted by the Companies Law, no dividends shall be paid other than out of the Company's profits available for distribution as set forth in the Companies Law. The Board may decide on the payment of a dividend or on the distribution of bonus shares. A dividend in cash or bonus shares shall be paid or distributed, as the case may be, equally to the holders of the Ordinary Shares registered in the Register, pro rata to the nominal amount of capital paid up or credited as paid up on par value of the shares, without reference to any premium which may have been paid thereon. However, whenever the rights attached to any shares or the terms of issue of the shares do not provide otherwise, an amount paid on account of a share prior to the payment thereof having been called, or prior to the due date for payment thereof, and on which the Company is paying interest, shall not be taken into account for purposes of this Article as an amount paid-up on account of the share.

24.2. Only a person whose name, on the date determined by the Board for entitlement to the dividend ("**Record Date**"), was registered in the Register as the owner of the shares shall be entitled to dividends.

24.3. Unless other instructions are given, it shall be permissible to pay any dividend by way of a check or payment order to be sent by post to the registered address of the shareholder or the person entitled thereto, or in the case of joint shareholders being registered, to the shareholder whose name appears first in the Register in relation to the joint shareholding. Every such check shall be made in favor of the person to whom it is sent. A receipt by the person whose name, on the Record Date, was registered in the Register as the owner of the shares, or in the case of joint holders, by one of the joint holders, shall serve as a discharge with regard to all the payments made in connection with such share.

24.4. The Board shall be entitled to invest any dividend which has not been claimed for a period of one (1) year after having been declared, or to make use thereof in any other way for the benefit of the Company until such time as it is claimed. A dividend or other beneficial rights in respect of shares shall not bear interest, and the Company shall not be obliged to pay interest or linkage in respect of an unclaimed dividend. The payment by the Board of any unclaimed dividend into a separate account shall not make the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven (7) years from the date of declaration of such dividend shall be forfeited and shall revert to the Company, provided, however, that the Board may, at its discretion, cause the Company to pay any such dividend, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

24.5. Unless otherwise specified in the terms of issue of shares or securities convertible into, or which grant a right to purchase, shares, any shares that are fully paid-up or credited as paid-up shall at any time confer on their holders the right to participate in the full dividends and in any other distribution for which the determining date for the right to receive the same is the date at which the aforesaid shares were fully paid-up or credited as fully paid-up, as the case may be, or subsequent to such date.

24.6. The Board shall be entitled to deduct from any dividend or other beneficial rights, all amounts of money which the holder of the share in respect of which the dividend is payable or in respect of which the other beneficial rights were given, may owe to the Company in respect of such share, whether or not the due date for payment thereof has arrived. The Board shall be entitled to retain any dividend or bonus shares or other beneficial rights in respect of a share in relation to which the Company has a lien, and to utilize any such amount or the proceeds received from the sale of any bonus shares or other beneficial rights, for the discharge of the debts or liabilities in respect of which the Company has a lien.

24.7. The Board may decide that a dividend is to be paid, in whole or in part, by way of a distribution of assets of the Company in kind, including by way of debentures of the Company, or shares or debentures of any other company, or in any other way.

24.8. The Board may decide that any portion of the amounts standing for the time being to the credit of any capital fund (including a fund created as a result of a revaluation of the assets of the Company), or which are held by the Company as profits available for distribution, shall be capitalized subject to and in accordance with the provisions of the Companies Law and of these Articles, and serve for the payment up in full (either at par or with a premium as prescribed by the Company) of shares which have not yet been issued or of debentures of the Company, which shall then be allotted and distributed amongst the shareholders as fully paid-up shares or debentures, pro rata to each shareholder's entitlement under these Articles.

24.9. In every case that the Company issues bonus shares by way of a capitalization of profits or funds at a time at which securities issued by the Company are in circulation and confer on the holders thereof rights to convert the same into shares in the share capital of the Company, or options to purchase shares in the share capital of the Company (such rights of conversion or options shall henceforth be referred to as the "**Rights**"), the Board shall be entitled (in a case that the Rights or part thereof shall not be otherwise adjusted in accordance with the terms of their issue) to transfer to a special fund designated for the distribution of bonus shares in the future (to be called by any name that the Board may decide on and which shall henceforth be referred to as the "**Special Fund**") an amount equivalent to the nominal amount of the share capital to which some or all of the Rights holders would have been entitled as a result of the issue of bonus shares, had they exercised their Rights prior to the determining date for the right to receive bonus shares, including rights to fractions of bonus shares, and in the case of a second or additional distribution of bonus shares in respect of which the Company acts pursuant to this Article, including entitlement stemming from a previous distribution of bonus shares.

24.10. In the case of the allotment of shares by the Company as a consequence of the exercise of entitlement by the owners of shares in those cases in which the Board has made a transfer to the Special Fund in respect of the Rights pursuant to Article 24.8 above, the Board shall allot to each such shareholder, in addition to the shares to which he is entitled by virtue of having exercised his rights, such number of fully paid-up shares the nominal value of which is equivalent to the amount transferred to the Special Fund in respect of his rights, by way of a capitalization to be effected by the Board of an appropriate amount out of the Special Fund. The Board shall be entitled to decide on the manner of dealing with rights to fractions of shares in its sole discretion.

24.11. If after any transfer to the Special Fund has been made the Rights should lapse, or the period should end for the exercise of Rights in respect of which the transfer was effected without such Rights being exercised, then any amount which was transferred to the Special Fund in respect of the aforesaid unexercised Rights shall be released from the Special Fund, and the Company may deal with the amount so released in any manner it would have been entitled to deal therewith had such amount not been transferred to the Special Fund.

24.12. For the implementation of any resolution regarding a distribution of shares or debentures by way of a capitalization of profits as aforesaid, the Board may:

24.12.1. Resolve any difficulty which arises or may arise in regard to the distribution in such manner as it deems fit and may take all of the steps that it deems appropriate in order to overcome such difficulty.

24.12.2. Issue certificates in respect of fractions of shares, or decide that fractions of less than an amount to be decided by the Board shall not be taken into account for purposes of adjusting the rights of the shareholders or may sell the fractions of shares and pay the net proceeds to the persons entitled thereto.

24.12.3. Sign, or appoint a person to sign, on behalf of the shareholders on any contract or other document which may be required for purposes of giving effect to the distribution, and, in particular, shall be entitled to sign or appoint a person who shall be entitled to appoint and submit a contract or other document as referred to in Section 291 of the Companies Law.

24.12.4. Make any arrangement or other scheme which is required in the opinion of the Board in order to facilitate the distribution.

24.13. The Board shall be entitled, as it deems appropriate and expedient, to appoint trustees or nominees for those registered shareholders who have failed to notify the Company of a change of their address and who have not applied to the Company in order to receive dividends, shares or debentures out of capital, or other benefits during the aforesaid period. Such trustees or nominees shall be appointed for the use, collection or receipt of dividends, shares or debentures out of capital and rights to subscribe for shares which have not yet been issued and which are offered to the shareholders but they shall not be entitled to transfer the shares in respect of which they were appointed, or to vote on the basis of holding such shares. In all of the terms and conditions governing such trusts and the appointment of such nominees it shall be stipulated by the Company that upon the first demand by a beneficial holder of a share being held by the trustee or nominee, such trustee or nominee shall be obliged to return to such shareholder the share in question and all of those rights held by it on the shareholder’s behalf (all as the case may be). Any act or arrangement effected by any such nominees or trustee and any agreement between the Board and a nominee or trustee shall be valid and binding in all respects.

25. COMPANY RECORDS AND REGISTERS

25.1. The Board shall comply with all the provisions of the Companies Law in regard to the recording of charges and the keeping and maintaining of a register of directors, the Register and register of charges.

25.2. Any book, register and record that the Company is obliged to keep in accordance with the Companies Law or pursuant to these Articles shall be recorded in a regular book, or by digital, electronic or other means, as the Board shall decide.

25.3. Subject to and in accordance with the provisions of Sections 138 and 139 of the Companies Law, the Company may cause supplementary registers to be kept in any place outside Israel as the Board may deem fit, and, subject to all applicable requirements of the Companies Law, the Board may from time to time adopt such rules and procedures as it may deem fit in connection with the keeping of such supplementary registers.

26. **BOOKS OF ACCOUNT**

26.1. The Board shall keep proper books of account in accordance with the provisions of the Companies Law. The books of account shall be kept at the Office, or at such other place or places as the Board shall deem appropriate, and shall at all times be open to the inspection of members of the Board. A shareholder of the Company who is not a member of the Board shall not have the right to inspect any books or accounts or documents of the Company, unless such right has been expressly granted to him by the Companies Law, or if he has been permitted to do so by the Board or by the shareholders based on a resolution adopted at a General Meeting.

26.2. At least once each year the accounts of the Company and the correctness of the statement of income and the balance sheet shall be audited and confirmed by an independent auditor.

26.3. The Company shall, in an annual General Meeting, appoint an independent auditor who shall hold such position until the next annual General Meeting, or for a term beyond the aforesaid, provided that such term shall not extend beyond the third (3rd) annual General Meeting following the annual General Meeting at which such independent auditor was appointed, and his appointment, remuneration and rights and duties shall be subject to the provisions of the Companies Law, provided, however, that in exercising its authority to fix the remuneration of the auditor, the shareholders in an annual General Meeting may, by a resolution, act (and in the absence of any action in connection therewith shall be deemed to have so acted) to authorize the Board to fix such remuneration subject to such criteria or standards, if any, as may be provided in such resolution, and if no such criteria or standards are so provided, such remuneration shall be fixed in an amount commensurate with both the volume and nature of the services rendered by the auditor.

26.4. The auditor shall be entitled to receive notices of every General Meeting of the Company and to attend such meetings and to express his opinions on all matters pertaining to his function as the auditor of the Company.

26.5. Subject to the provisions of the Companies Law and the U.S. Rules, any act carried out by the auditor of the Company shall be valid as against any person doing business in good faith with the Company, notwithstanding any defect in the appointment or qualification of the auditor.

26.6. For as long as the Company is a public company, as defined in the Companies Law, it shall appoint an internal auditor possessing the authorities set forth in the Companies Law. The internal auditor of the Company shall present all of its proposed work plans to the audit committee of the Board, which shall have the authority to approve them, subject to any modifications in its discretion.

27. **NOTICES**

27.1. The Company may serve any written notice or other document on a shareholder by way of delivery by hand, by facsimile transmission or by dispatch by prepaid registered mail to his address as recorded in the Register, or if there is no such recorded address, to the address given by him to the Company for the sending of notices to him. Notwithstanding the foregoing or any other provision to the contrary contained herein, notices or any other information or documents required to be delivered to a shareholder shall be deemed to have been duly delivered if submitted, published, filed or lodged in any manner prescribed by applicable law. With respect to the manner of providing such notices or other disclosures, the Company may distinguish between the shareholders listed on its regular Registry and those listed in any "additional registry", as defined in Section 138(a) of the Companies Law, administered by a transfer agent or stock exchange registration company.

27.2. Any shareholder may serve any written notice or other document on the Company by way of delivery by hand at the Office, by facsimile or email transmission to the Company or by dispatch by prepaid registered mail to the Company at the Office.

27.3. Any notice or document which is delivered or sent to a shareholder in accordance with these Articles shall be deemed to have been duly delivered and sent in respect of the shares held by him (whether in respect of shares held by him alone or jointly with others), notwithstanding the fact that such shareholder has died or been declared bankrupt at such time (whether or not the Company knew of his death or bankruptcy), and shall be deemed to be sufficient delivery or dispatch to heirs, trustees, administrators or transferees and any other persons (if any) who have a right in the shares.

27.4. Any such notice or other document shall be deemed to have been served:

27.4.1. in the case of mailing, forty-eight (48) hours after it has been posted, or when actually received by the addressee if sooner than forty-eight (48) hours after it has been posted;

27.4.2. in the case of overnight air courier, on the next day following the day sent, with receipt confirmed by the courier, or when actually received by the addressee if sooner;

27.4.3. in the case of personal delivery, when actually tendered in person to such shareholder;

27.4.4. in the case of facsimile or other electronic transmission (including email), the next day following the date on which the sender receives automatic electronic confirmation by the recipient's facsimile machine or computer or other device that such notice was received by the addressee; or

27.4.5. in the case a notice is, in fact, received by the addressee, when received, notwithstanding that it was defectively addressed or failed, in some other respect, to comply with the provisions of this Article 27.4.

27.5. Any shareholder whose address is not described in the Register, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company. In the case of joint holders of a share, the Company shall be entitled to deliver a notice by dispatch to the joint holder whose name stands first in the Register in respect of such share.

27.6. Whenever it is necessary to give notice of a particular number of days or a notice for another period, the day of delivery shall be counted in the number of calendar days or the period, unless otherwise specified.

27.7. Notwithstanding anything to the contrary contained herein, notice by the Company of a General Meeting, containing the information required to be set forth in such notice under these Articles, which is published, within the time otherwise required for giving notice of such meeting, in:

27.7.1. the Company's website shall be deemed to be notice of such meeting duly given, for the purposes of these Articles, to any shareholder whose address as registered in the Register (or as designated in writing for the receipt of notices and other documents) is located in the State of Israel; and

27.7.2. one (1) notification by international wire service press release and furnishing of such release on Form 6-K to the SEC shall be deemed to be notice of such meeting duly given, for the purposes of these Articles, to any shareholder whose address as registered in the Register (or as designated in writing for the receipt of notices and other documents) is located outside the State of Israel.

28. INSURANCE, INDEMNITY AND EXCULPATION

28.1. Subject to the provisions of the Companies Law, the Company shall be entitled to enter into a contract to insure all or part of the liability of an Office Holder of the Company, imposed on him in consequence of an act which he has performed by virtue of being an Office Holder, in respect of any of the following:

28.1.1. The breach of a duty of care to the Company or to any other person, other than with respect to a distribution and excluding a breach committed intentionally or recklessly (other than a breach arising out negligent conduct);

28.1.2. The breach of a duty of loyalty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds for believing that the action would not adversely affect the best interests of the Company;

28.1.3. A pecuniary liability imposed on him in favor of any other person in respect of an act done in his capacity as an Office Holder.

28.1.4. Any other circumstances arising under the law with respect to which the Company may, or will be able to, insure an Office Holder.

28.2. Subject to the provisions of the Companies Law, the Company shall be entitled to indemnify an Office Holder of the Company, to the fullest extent permitted by applicable law. Subject to the provisions of the Companies Law, including the receipt of all approvals as required therein or under any applicable law, the Company may resolve retroactively to indemnify an Office Holder with respect to the following liabilities and expenses, *provided*, in each of the below cases, that such liabilities or expenses were incurred by such Office Holder in such Office Holder's capacity as an Office Holder of the Company:

28.2.1. a monetary liability imposed on him in favor of a third party in any judgment, including any settlement confirmed as judgment and an arbitrator's award which has been confirmed by the court, in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company; *provided, however*, that: (a) any indemnification undertaking with respect to the foregoing shall

be limited (i) to events which, in the opinion of the Board, are foreseeable in light of the Company's actual operations at the time of the granting of the indemnification undertaking, and (ii) to an amount or by criteria determined by the Board to be reasonable in the given circumstances; and (b) the events that in the opinion of the Board are foreseeable in light of the Company's actual operations at the time of the granting of the indemnification undertaking are listed in the indemnification undertaking together with the amount or criteria determined by the Board to be reasonable in the given circumstances;

28.2.2. reasonable litigation expenses, including legal fees, paid for by the Office Holder, in an investigation or proceeding conducted against such Office Holder by an agency authorized to conduct such investigation or proceeding, and which investigation or proceeding: (i) concluded without the filing of an indictment (as defined in the Companies Law) against such Office Holder and without a monetary liability having been imposed against such Office Holder in lieu of a criminal proceeding (as defined in the Companies Law); (ii) concluded without the filing of an indictment against such Office Holder but with a monetary liability having been imposed against such Office Holder in lieu of a criminal proceeding for an offense that does not require proof of criminal intent; or (iii) involves financial sanction;

28.2.3. reasonable litigation expenses, including legal fees, paid for by the Office Holder, or which the Office Holder is obligated to pay under a court order, in a proceeding brought against the Office Holder by the Company, or on its behalf, or by a third party, or in a criminal proceeding in which the Office Holder is found innocent, or in a criminal proceeding in which the Office Holder was convicted of an offense that does not require proof of criminal intent; and

28.2.4. any other event, occurrence or circumstances in respect of which the Company may lawfully indemnify an Office Holder of the Company (including, without limitation, indemnification with respect to the matters referred to under Section 56h(b)(1) of the Israeli Securities Law, 5728-1968, as amended).

28.3. The Company may undertake to indemnify an Office Holder as aforesaid: (i) prospectively, provided that the undertaking is limited to categories of events which in the opinion of the Board can be foreseen when the undertaking to indemnify is given, and to an amount set by the Board as reasonable under the circumstances, and (ii) retroactively.

28.4. Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may, to the maximum extent permitted by the Companies Law, exempt and release, in advance, any Office Holder from any liability for damages arising out of a breach of a duty of care towards the Company.

28.5. Any amendment to the Companies Law adversely affecting the right of any Office Holder to be indemnified or insured pursuant to Articles 28.1, 28.2 and 28.4 and any amendments to such Articles shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided by applicable law.

28.6. The provisions of Articles 28.1, 28.2 and 28.4 are not intended, and shall not be interpreted so as to restrict the Company, in any manner, in respect of the

procurement of insurance or in respect of indemnification or exculpation, in favor of any person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder; or any Office Holder to the extent that such insurance and/or indemnification is not specifically prohibited under law.

29. WINDING-UP AND REORGANIZATION

29.1. Should the Company be wound up and assets of the Company remain available for distribution after covering all the Company's outstanding liabilities, such assets shall be distributed among the shareholders pro rata to the nominal value of the paid-up capital on the shares held by each of them.

29.2. Upon the sale of the Company's assets, the Board may, or in the case of a liquidation, the liquidators may, if authorized to do so by a resolution of the Company, accept fully or partly paid-up shares, or securities of another company, Israeli or non-Israeli, whether in existence at such time or about to be formed, in order to purchase the property of the Company, or part thereof, and to the extent permitted under the Companies Law, the Board may (or in the case of a liquidation, the liquidators may) distribute the aforesaid shares or securities or any other property of the Company among the shareholders without realizing the same, or may deposit the same in the hands of trustees for the shareholders, and the General Meeting by a resolution may decide, subject to the provisions of the Companies Law, on the distribution or allotment of cash, shares or other securities, or the property of the Company and on the valuation of the aforesaid securities or property at such price and in such manner as the shareholders at such General Meeting shall decide, and all of the shareholders shall be obliged to accept any valuation or distribution determined as aforesaid and to waive their rights in this regard, except, in a case in which the Company is about to be wound-up and is in the process of liquidation, for those legal rights (if any) which, according to the provisions of the Companies Law, may not be changed or modified.

30. TRANSLATION AND BINDING EFFECT

These Articles may be translated into Hebrew and/or into other languages. Notwithstanding the aforesaid, the English version of these Articles shall be binding upon the Company, its shareholders and/or any third party and shall supersede any translation thereof.

*** * ***

Exhibit 10.1

UroGen Pharma Ltd.

(the "**Company**")

OFFICER INDEMNITY AND EXCULPATION AGREEMENT

THIS AGREEMENT, dated as of _____, is between UroGen Pharma Ltd., a company incorporated under the laws of the State of Israel (the "**Company**"), and _____, a director or officer of the Company (the "**Indemnitee**").

WHEREAS, the Indemnitee is an Officer (as defined below) of the Company;

WHEREAS, both the Company and the Indemnitee recognize the increased risk of litigation, investigations and other claims being asserted against Officers of a publically traded company;

WHEREAS, the Amended Articles of Association of the Company (the "**Articles of Association**") authorize the Company to indemnify Officers to the greatest extent permitted by law;

WHEREAS, in recognition of the Indemnitee's need for substantial protection against personal liability in order to assure the Indemnitee's continued service to the Company in an effective manner and the Indemnitee's reliance on the aforesaid Articles of Association and, in part, to provide the Indemnitee with specific contractual assurance that the protection promised by the Articles of Association will be available to the Indemnitee (regardless of, among other things, any amendment to or revocation or any change in the composition of the Company's Board of Directors (the "**Board of Directors**") or the Company's management or acquisition of the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancing of Expenses (as defined below) (whether partial or complete) to the Indemnitee to the fullest extent permitted by law and as set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and intending to be legally bound hereby, the parties hereto agree

1. **Certain Definitions.**

1.1. "**Change of Control"** means any merger or consolidation of the Company with or into another entity, other corporate reorganization, sale of control, or any transaction in which all or substantially all of the assets or shares of the Company are sold.

1.2. "**Companies Law**" means the Israeli Companies Law, 5759-1999, as amended.

1.3. "**Expenses**" includes any reasonable costs of litigation, including attorney's fees, expended by the Indemnitee or for which the Indemnitee has been charged by a court. Expenses shall also include, without limitation and to the fullest extent permitted by applicable law, all expenses reasonably incurred in defending any claim (including investigation and pre-litigation negotiations), being a witness in or participating in (including on appeal), or preparing to defend, being a witness in or participate in any claim relating to any Indemnifiable Event (as defined below) and any security or bond that the Indemnitee may be required to post in connection with an Indemnifiable Event.

1.4. "**Officer"** means "*Office Holder*" as such term is defined in the Companies Law.

1.5. "**Securities Law**" means the Israeli Securities Law, 5728-1968, as amended.

2. **Indemnification and Advance of Expenses.**

2.1. The Company hereby undertakes to indemnify the Indemnitee to the fullest extent permitted by applicable law, for any liability and Expense that may be imposed on the Indemnitee due to an act performed or failure to act by him in his capacity as an Officer of the Company or any subsidiary of the Company or any entity in which the Indemnitee serves as an Officer at the request of the Company either prior to or after the date hereof for (the following shall be hereinafter referred to as "**Indemnifiable Events**"):

2.1.1. monetary liability imposed on the Indemnitee in favor of a third party in a court judgment (which third parties include, without limitation and to the fullest extent permitted by applicable law, any governmental entity), including a settlement or an arbitral award confirmed by a court; and

2.1.2. reasonable costs of litigation, including attorney's fees, expended by the Indemnitee as a result of an investigation or proceeding instituted against the Indemnitee by a competent authority, provided that such investigation or proceeding (i) is concluded without the filing of an indictment against the Indemnitee (as defined in the Companies Law) or the imposition of any financial liability in lieu of criminal proceedings (as defined in the Companies Law), or (ii) is concluded without the filing of an indictment against the Indemnitee and a financial liability was imposed on the Indemnitee in lieu of criminal proceedings with respect to a criminal offense in which a proof of criminal intent is not required, or (iii) is in connection with a monetary sanction pursuant to the Companies Law or the Securities Law; and

2.1.3. reasonable costs of litigation, including attorney's fees, expended by the Indemnitee or for which the Indemnitee has been charged by a court, (a) in an action brought against the Indemnitee by or on behalf of the Company or a third party, or (b) in a criminal action in which the Indemnitee was found innocent, or (c) in a criminal offense in which the Indemnitee was convicted and in which a proof of criminal intent is not required; and

2.1.4. a payment which the Office Holder is obligated to make to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law; and

2.1.5. any other circumstances arising under Israeli law in respect of which the Company may indemnify an Officer of the Company.

2.2. The indemnification undertaking made by the Company pursuant to Section 2.1 above shall be only with respect to such events as are described in Schedule A attached hereto and additional events that the Board of Directors determines from time to time are reasonable under the circumstances. The maximum amount payable by the Company to the Indemnitee pursuant to Section 2.1.1 above shall be two million five hundred thousand United States dollars (US$ 2,500,000). The indemnification provided herein shall not be subject to the limitations imposed by this Section 2.2 and Schedule A if and to the extent such limits are no longer required by law. All amounts stated herein in US$, and if paid in NIS, are to be calculated according to the representative rate of exchange, or any other official rate of exchange that may replace it, published by the Bank of Israel on the date of payment by the Company hereunder.

2.3. Subject to applicable law and to the other provisions of this Agreement, if so requested by the Indemnitee, the Company shall advance an amount (or amounts) estimated by the Company to cover the Indemnitee's reasonable litigation expenses with respect to

which the Indemnitee is entitled to be indemnified under Sections 2.1 and 2.2 above, subject to Section 3, 4 and 5 below. The Company will also make available to the Indemnitee any security or guarantee that may be required to post in accordance with an interim decision given by a court or an arbitrator in proceedings with respect to which the Indemnitee is entitled to be indemnified under Sections 2.1 and 2.2 above, subject to Section 3, 4 and 5 below, including for the purpose of substituting liens imposed on the Indemnitee's assets.

2.4. The Company's obligation to indemnify the Indemnitee and advance expenses in accordance with this Agreement shall be for such period as the Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding or any inquiry or investigation, whether civil, criminal or investigative, arising out of the Indemnitee's service in the foregoing positions, whether or not the Indemnitee is still serving in such positions.

2.5. All amounts paid as indemnification pursuant hereto will be grossed-up to cover any tax payments the Indemnitee may be required to make if the indemnification payments are taxable to the Indemnitee.

3. **Insurance**

3.1. As long as the Indemnitee continues to serve as an Officer, the Company shall procure directors' and officers' liability insurance (which shall include without limitation provisions according to which the insurance shall continue to be in effect following the cessation of the Indemnitee's position in the Company with respect to events that occurred prior to such cessation) to the fullest extent permitted by law ("**D&O Insurance**"), in such amount (per claim and per period) as the Company shall deem appropriate and in accordance to the provisions of the Companies Law.

3.2. Indemnitee shall be covered by the D&O Insurance and by any other insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies.

3.3. At the time of the receipt by the Company of a notice of a claim pursuant to Section 8 hereof, the Company shall give prompt notice of the commencement of such Proceeding to the D&O Insurance insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all reasonably necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such action, suit, proceeding, inquiry or investigation in accordance with the terms of such policies.

3.4. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise, except for the difference, if any, between the amounts actually received by the Indemnitee as aforesaid and the total Expenses incurred by Indemnitee in connection therewith.

4. **General Limitations on Indemnification.**

4.1. Notwithstanding anything to the contrary in this Agreement, the Company shall not indemnify or advance Expenses to Indemnitee: (i) with respect to a counterclaim made by the Company or in its name in connection with a claim against the Company filed

by the Indemnitee; or (ii) if, when and to the extent that the Indemnitee would not be permitted to be so indemnified under Israeli law. The Company shall be entitled to be reimbursed by the Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid (unless the Indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that the Indemnitee should be indemnified under applicable law, in which event the Indemnitee shall not be required to so reimburse the Company until a final judicial determination is made with respect thereto as to which all rights of appeal therefrom have been exhausted or lapsed) and shall not be obligated to indemnify or advance any additional amounts to the Indemnitee (unless there has been a determination by a court of competent jurisdiction that the Indemnitee would be permitted to be so indemnified under this Agreement).

4.2. Advances of expenses given to cover litigation expenses in accordance with Section 2.3 above will be repaid by Indemnitee to the Company if such investigation or proceeding has ended in a financial liability imposed in lieu of a criminal proceeding for a crime which requires a finding of criminal intent or if Indemnitee is found guilty of a crime that requires proof of criminal intent, within thirty (30) days of the court's final decision as to which all rights of appeal therefrom have been exhausted or lapsed. Other advances will be repaid by Indemnitee to the Company within thirty (30) days from a final determination by a court as to which all rights of appeal therefrom have been exhausted or lapsed that Indemnitee is not entitled to such indemnification.

4.3. The Company undertakes that in the event of a Change in Control, the Company's obligations under this Agreement shall continue to be in effect following such Change in Control, and the Company shall take all necessary actions to ensure that the party acquiring control of the Company shall independently undertake to continue in effect this Agreement, to maintain the provisions of the Articles of Association allowing indemnification and to indemnify the Indemnitee in the event that the Company shall not have sufficient funds or otherwise shall not be able to fulfill its obligations hereunder.

5. **Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

6. **Reimbursement.** The Company shall not be liable under this Agreement to make any payment in connection with any claim made against the Indemnitee to the extent the Indemnitee has otherwise actually received payment (under any insurance policy of the Company or otherwise) of the amounts otherwise indemnifiable hereunder, other than for indemnifiable amounts which are in excess of the amounts actually paid to the Indemnitee pursuant to any such insurance policy or otherwise. Any amounts paid to the Indemnitee under such insurance policy or otherwise after the Company has indemnified the Indemnitee for such liability or Expense shall be repaid to the Company promptly upon receipt by the Indemnitee.

7. **Effectiveness.** This agreement shall be in full force and effect as of the date hereof.

8. **Notification and Defense of Claim.** Promptly after receipt by the Indemnitee of (i) any summons, citation, subpoena, complaint, indictment, other document or information relating to any proceeding or matter which may be subject to indemnification hereunder or (ii) notice of the commencement of any investigation, action, suit or proceeding, the Indemnitee will, if a claim in respect thereof is to be made against the Company under this

Agreement, notify the Company of the commencement hereof; provided that failure to notify the Company as aforesaid will not relieve the Company of its indemnification obligations pursuant hereto except to the extent that it has been actually and materially prejudiced as a result of such failure and provided further that the omission so to notify the Company will not relieve it from any liability which it may have to the Indemnitee otherwise than under this Agreement. With respect to any such investigation, action, suit or proceeding as to which the Indemnitee notifies the Company of the commencement thereof and without derogating from Section 2.1:

8.1. The Company will be entitled to participate therein at its own expense; and

8.2. Except as otherwise provided below, to the extent that it may wish, the Company will be entitled to assume the defense thereof, with counsel selected by the Company, which counsel is reasonably reputable with experience in the relevant field and reasonably satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense thereof, the Company will not be liable to the Indemnitee under this Agreement for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. The Indemnitee shall have the right to employ his or her own counsel in such action, suit or proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of the Indemnitee, unless: (i) the employment of counsel by the Indemnitee has been authorized in writing by the Company; (ii) the Indemnitee shall have, based on a legal advice of counsel, concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of such action; or (iii) the Company shall not in fact have employed counsel to assume the defense of such action, within a reasonable time, in each of which cases the fees and expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Company or as to which the Indemnitee shall have reached the conclusion specified in (ii) above.

8.3. The Company shall not be liable to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without its prior written consent. The Company shall have the right to conduct the defense as it sees fit in its sole discretion (provided that the Company shall conduct the defense in good faith and in a diligent manner), including the right to settle or compromise any claim or to consent to the entry of any judgment against Indemnitee, provided that the Company shall not settle any action or claim in any manner that would impose any penalty or limitation on the Indemnitee without the Indemnitee’s prior written consent. However, in the case of civil proceedings, the Indemnitee’s consent shall not be required if (i) the settlement includes a complete release of Indemnitee, (ii) does not contain any admission of wrong-doing by Indemnitee, and (iii) includes monetary sanctions (without any admission of wrong-doing by Indemnitee) only up to the amount indemnifiable under this Agreement. In the case of criminal proceedings, the Company and/or its legal counsel will not have the right to plead guilty or agree to a plea-bargain in the Indemnitee’s name without the Indemnitee’s prior written consent. Neither the Company nor the Indemnitee will unreasonably withhold its consent to any proposed settlement.

8.4. Without derogating of any of the Indemnitee’s rights and obligations, the Indemnitee shall use its reasonable efforts to advise the Company concerning all events which the Indemnitee is aware of and that the Indemnitee reasonably suspects would give rise to the initiation of legal proceedings against the Indemnitee in his capacity as an Officer of the Company.

8.5. Indemnitee shall fully cooperate with the Company and shall give the Company all information and access to documents, files and to his advisors and representatives as shall be within Indemnitee's power, in every reasonable way as may be required by the Company with respect to any claim which is the subject matter of this Agreement and in the defense of other claims asserted against the Company (other than claims asserted by Indemnitee), provided that the Company shall cover all reasonable expenses, costs and fees incidental thereto such that the Indemnitee will not be required to pay or bear such expenses, costs and fees. In addition, at the request of the Company, the Indemnitee shall execute all documents reasonably required to enable the Company or its attorney as aforesaid to conduct the defense in the Indemnitee's name, and to represent the Indemnitee in all matters connected therewith, in accordance with the aforesaid, provided that the Company shall cover all costs incidental thereto such that Indemnitee will not be required to pay the same or to finance the same himself.

9. **Exculpation.** The Company hereby exempts the Indemnitee, to the fullest extent permitted by law, from any liability for damages caused as a result of the Indemnitee's breach of the duty of care to the Company while acting in good faith and having reasonable cause to assume that such act or omission would not prejudice the interests of the Company, provided that the Indemnitee shall not be exempt with respect to any action or omission as to which, under applicable law, the Company is not entitled to exculpate the Indemnitee.

10. **Non-Exclusivity.** The rights of the Indemnitee hereunder shall not be deemed exclusive of any other rights the Indemnitee may have under the Company's Articles of Association, as amended from time to time, or applicable law or otherwise, and to the extent that during the indemnification period the rights of the then existing Officers are more favorable to such Officers than the rights provided thereunder or under this Agreement to the Indemnitee, the Indemnitee shall be entitled to the full benefits of such more favorable rights.

11. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company, spouses, heirs and personal and legal representatives. This Agreement shall continue in effect regardless of whether the Indemnitee continues to serve as an Officer of the Company or of any other enterprise at the Company's request, provided that the claim for indemnification relates to an Indemnifiable Event. This Agreement is being executed by the Company pursuant to the resolutions adopted by the Board of Directors on _____, **2017**, and by the shareholders of the Company on _____, **2017**. The Board of Directors has determined, based on the current activity of the Company, that the amount stated in Section 2.2 is reasonable and that the events qualifying as Indemnifiable Event are reasonably anticipated.

12. **No Modification; No Waiver**. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. Any waiver shall be in writing.

13. **Severability.** The provisions of this Agreement shall be severable in the event that any provision hereof (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.

14. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the conflicts of law provisions of those laws. The Company and Indemnitee each hereby irrevocably consent to the sole and exclusive jurisdiction and venue of the courts of Tel Aviv—Yaffo, Israel for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement.

15. **Entire Agreement; Termination.** This Agreement represents the entire agreement between the parties and supersedes any other agreements, contracts or understandings between the parties, whether written or oral, with respect to the subject matter of this Agreement, including, without limitation any previous Indemnification Agreement (if any) entered into by the Company and the Indemnitee. No supplement, modification, amendment, termination or cancellation of this Agreement shall be effective unless in writing and signed by both parties hereto.

16. **Assignment; No Third Party Rights.** Neither party hereto may assign any of its rights or obligations hereunder except with the express prior written consent of the other party. Nothing herein shall be deemed to create or imply an obligation for the benefit of a third party. Without limitation of the foregoing, nothing herein shall be deemed to create any right of any insurer that provides directors' and officers' liability insurance, to claim, on behalf of Indemnitee, any rights hereunder.

17. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument; it being understood that parties need not sign the same counterpart. The exchange of an executed Agreement (in counterparts or otherwise) by facsimile or by electronic delivery in PDF (Portable Document Format) shall have the same force and effect as the delivery of original signatures and shall be sufficient to bind the parties to the terms and conditions of this Agreement, as an original.

18. **Headings; Gender.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties, each acting under due and proper authority, have executed this Indemnification Agreement as of the date first mentioned above, in one or more counterparts.

UroGen Pharma Ltd.

{signature}

By: _____
Title: _____

By: _____
Title: _____

Schedule A

1. Negotiations, execution, delivery and performance of agreements on behalf of the Company, whether written or oral.

2. Anti-competitive acts and acts of commercial wrongdoing.

3. Acts in regard to invasion of privacy including with respect to databases and acts in regard of slander.

4. Acts in regard to copyrights, patents, designs and any other intellectual property rights, and acts in regard to defects in the Company's products or services, including but not limited to any claim or demand made for actual or alleged infringement, misappropriation or misuse of any third party's intellectual property rights by the Company including without limitation confidential information, patents, copyrights, design rights, service marks, trade secrets, copyrights, and misappropriation of ideas by the Company.

5. Approval of corporate actions including the approval of the acts of the Company's management, their guidance and their supervision.

6. Claims of failure to exercise business judgment and a reasonable level of proficiency, expertise and care in regard to the Company's business.

7. Claims relating to the offering of securities and claims relating to violations of securities laws of any jurisdiction, including, without limitation, fraudulent disclosure claims, failure to comply with the Securities Exchange Commission and/or the Israeli Securities Authority rules and other claims relating to relationships with investors and the investment community.

8. Violations of securities laws of any jurisdiction, including without limitation, fraudulent disclosure claims and other claims relating to relationships with investors and the investment community.

9. Violations of laws requiring the Company to obtain regulatory and governmental licenses, permits and authorizations in any jurisdiction.

10. Claims in connection with publishing or providing any information, including any filings with governmental authorities, on behalf of the Company in the circumstances required under applicable laws.

11. Actions regarding investments by the Company and/or the acquisition of assets, including the acquisition of companies and/or businesses through merger or otherwise or the investment of funds in tradeable securities and/or in any other manner.

12. Claims in connection with employment relationships with Company's employees.

13. Claims in connection with Company's liquidation.

14. Any claim or demand made directly or indirectly in connection with complete or partial failure, by the Company or its directors, officers and employees, to pay, report, keep applicable records or otherwise, any state, municipal or foreign taxes or other mandatory payments of any nature whatsoever, including, without limitation, income, sales, use, transfer, excise, value added, registration, severance, stamp, occupation, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll or employee withholding or other withholding, including any interest, penalty or addition thereto, whether disputed or not.

15. Actions taken in connection with the approval and execution of financial reports and business reports and the representations made in connection therewith.

16. Occurrences resulting from the Company's becoming, or its status as, a public company, and/or from the fact that the Company's securities were offered to the public and/or are traded on any stock exchange.

17. The sale, purchase and holding of negotiable securities or other investments for or in the name of the Company.

18. Actions in connection with the sale of the operations and/or business, or part thereof, of the Company.

19. Without derogating from the generality of the above, actions in connection with the purchase or sale of companies, legal entities or assets, and the division or consolidation thereof.

20. Actions concerning the approval of transactions of the Company, with officers and/or directors and/or holders of controlling interests in the Company, or any other transaction with a related party.

21. Actions in connection with the testing of products developed by the Company, or in connection with the distribution, sale, license or use of such products.

22. Actions taken pursuant to or in accordance with the policies and procedures of the Company, whether such policies and procedures are published or not.

23. Any claim or demand made by any lenders or other creditors or for moneys borrowed by, or other indebtedness of, the Company.

24. Any claim or demand made by any third party suffering any personal injury and/or bodily injury or damage to business or personal property through any act or omission attributed to the Company, or its employees, agents or other persons acting or allegedly acting on their behalf.

For the purpose of this Schedule A, "Company" shall include all subsidiaries and affiliates of Company.

TheraCoat Ltd.

THE 2010 ISRAELI SHARE OPTION PLAN

(IN COMPLIANCE WITH AMENDMENT NO. 132 OF THE ISRAELI TAX ORDINANCE, 2002)

This plan, as amended from time to time, shall be known as TheraCoat Ltd. 2010 Israeli Share Option Plan (the "**ISOP**").

1. PURPOSE OF THE ISOP

The ISOP is intended to provide an incentive to retain, in the employ of the Company (as defined below) and its Affiliates (as defined below), persons of training, experience, and ability, to attract new employees, directors, consultants, service providers and any other entity which the Board shall decide their services are considered valuable to the Company (as defined below), to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company (as defined below) by providing them with opportunities to purchase shares in the Company (as defined below), pursuant to the ISOP.

2. DEFINITIONS

For purposes of the ISOP and related documents, including the Option Agreement, the following definitions shall apply:

2.1. "**Affiliate**" means any "employing company" within the meaning of Section 102(a) of the Ordinance.

2.2. "**Applicable Laws**" means the requirements relating to the administration of share option plans under applicable corporate laws, securities laws, any stock exchange or quotation system on which the Shares (as defined below) are listed or quoted and the applicable laws of any other country or jurisdiction where Options are granted under the ISOP.

2.3. "**Approved 102 Option**" means an Option granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Optionee.

2.4. "**Board**" means the Board of Directors of the Company.

2.5. "**Capital Gain Option**" or "CGO" as defined in Section 5.4 below.

2.6. "**Cause**" means any of the following: (a) the Optionee's theft, dishonesty, or falsification of any Company documents or records; (b) the Optionee's improper use or disclosure of the Company's confidential or proprietary information; (c) any deliberate action by the Optionee which has a detrimental effect on the Company's reputation or business; (d) the Optionee's failure or inability to perform any reasonable assigned duties after written notice from the Company of, and a reasonable opportunity to cure, such failure or inability; (e) any material breach of the Optionee of any employment agreement between the Optionee and the Company, which breach is not cured pursuant to the terms of such agreement; or (f) the Optionee's conviction of any criminal act which impairs the Optionee's ability to perform his, her or its duties with the Company. For purposes of the definition of Cause, with respect to an Optionee employed by or providing services to an Affiliate of the Company, "Company" shall include Affiliate employing or engaging the services of the Optionee.

2.7. "**Chairman**" means the chairman of the Committee.

2.8. "**Committee**" means a share option compensation committee appointed by the Board, which shall consist of no fewer than two members of the Board.

2.9. "**Company**" means TheraCoat Ltd., an Israeli company.

2.10. "**Companies Law**" means the Israeli Companies Law 5759-1999.

2.11. "**Controlling Shareholder**" shall have the meaning ascribed to it in Section 32(9) of the Ordinance.

2.12. "**Date of Grant**" means, the date of grant of an Option, as determined by the Board and set forth in the Optionee's Option Agreement.

2.13. "**Director**" means a member of the Board of Directors of the Company, or any Affiliate.

2.14. "**Disability**" means physical or mental infirmity which impairs Optionee's ability to substantially perform his duties, which continues for a period of at least sixty (60) consecutive days.

2.15. "**Employee**" means a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding Controlling Shareholder. An Employee's employment shall not be deemed to have been terminated in the case of (i) any leave of absence approved by the Company (or by the Affiliate that employs the person) or (ii) transfers between locations of the Company (or Affiliate that employs the person) or between the Company, any of its Affiliates, or any successor. No such leave may exceed ninety days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. Neither service as a Director nor payment of a director's fee shall be sufficient to constitute "employment".

2.16. "**Expiration date**" means the date upon which an Option shall expire, as set forth in Section 10.2 of the ISOP.

2.17. "**Fair Market Value**" means as of any date, the value of a Share determined at the sole discretion of the Board.

The Board may adopt, at its sole discretion, the following value determination mechanism:

2.17.1. If the Shares are listed on any established stock exchange or a national market system, the Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported, or such other source as the Board deems reliable. Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the Date of Grant the Company's shares are listed on any established' stock exchange or a national market system or if the Company's shares will be registered for trading within ninety (90) days following the Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be;

2.17.2. If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or;

2.17.3. In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Board at its sole discretion.

2.18. "**IPO**" means the initial public offering of the Company's shares.

2.19. "**ISOP**" means this 2010 Israeli Share Option Plan.

2.20. "**ITA**" means the Israeli Tax Authorities.

2.21. "**Non-Employee**" means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.

2.22. "**Ordinary Income Option**" or "**OIO**" as defined in Section 5.5 below.

2.23. "**Option**" means an option to purchase one or more Shares of the Company pursuant to the ISOP.

2.24. "**102 Option**" means any Option granted to Employees pursuant to Section 102 of the Ordinance.

2.25. "**3(i) Option**" means an Option granted pursuant to Section 3(i) of the Ordinance to any person who is Non-Employee.

2.26. "**Optionee**" means a person who receives or holds an Option under the ISOP.

2.27. "**Option Agreement**" means the share option agreement between the Company and an Optionee that sets out the terms and conditions of an Option.

2.28. "**Ordinance**" means the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.

2.29. "**Purchase Price**" means the price for each Share subject to an Option.

2.30. "**Section 102**" means Section 102 of the Ordinance as now in effect or as hereafter amended.

2.31. "**Share**" means the ordinary shares, NIS 0.01 par value each, of the Company.

2.32. "**Successor Company**" means any entity the Company is merged into or is acquired by, in which the Company is not the surviving entity.

2.33. "**Transaction**" means (i) merger, acquisition or reorganization of the Company with one or more other entities in which the Company is not the surviving entity, (ii) a sale of all or substantially all of the assets of the Company.

2.34. "**Trustee**" means any individual appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.

2.35. "**Unapproved 102 Option**" means an Option granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

2.36. "**Vested Option**" means any Option, which has already been vested according to the Vesting Dates.

2.37. "**Vesting Dates**" means, as determined by the Board or by the Committee, the date as of which the Optionee shall be entitled to exercise the Options or part of the Options, as set forth in Section 11 of the ISOP.

3. ADMINISTRATION OF THE ISOP

3.1. The Board shall have the power to administer the ISOP either directly or upon the recommendation of the Committee, all as provided by applicable law and in the Company's Articles of Association. Notwithstanding the above, the Board shall automatically have residual authority if no Committee shall be constituted or if such Committee shall cease to operate for any reason.

3.2. The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places as the Chairman shall determine. The Committee shall make such rules and regulations for the conduct of its business as it shall deem advisable.

3.3. The Committee shall have the power to recommend to the Board and the Board shall have the full power and authority to: (i) designate participants; (ii) determine the terms and provisions of the respective Option Agreements, including, but not limited to, the number of Options to be granted to each Optionee, the number of Shares to be covered by each Option, provisions concerning the time and the extent to which the Options may be exercised and the nature and duration of restrictions as to the transferability or restrictions constituting substantial risk of forfeiture and to cancel or suspend awards, as necessary; (iii) determine the Fair Market Value of the Shares covered by each Option; (iv) make an election as to the type of Approved 102 Option; and (v) designate the type of Options(vi) alter any restrictions and conditions of any Options or Shares subject to any Options (vii) interpret the provisions and supervise the administration of the ISOP; (viii) accelerate

the right of an Optionee to exercise in whole or in part, any previously granted Option; (ix) determine the Purchase Price of the Option; (x) prescribe, amend and rescind rules and regulations relating to the ISOP; and (xi) make all other determinations deemed necessary or advisable for the administration of the ISOP.

3.4. Notwithstanding the above, the Committee shall not be entitled to grant Options to the Optionees, however, it will be authorized to issue Shares underlying Options which have been granted by the Board and duly exercised pursuant to the provisions herein in accordance with Section 112(a)(5) of the Companies Law.

3.5. The Board shall have the authority to grant, at its discretion, to the holder of an outstanding Option, in exchange for the surrender and cancellation of such Option, a new Option having a purchase price equal to, lower than or higher than the Purchase Price of the original Option so surrendered and canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the ISOP.

3.6. The interpretation and construction by the Committee of any provision of the ISOP or of any Option Agreement thereunder shall be final and conclusive unless otherwise determined by the Board.

4. DESIGNATION OF PARTICIPANTS

4.1. The persons eligible for participation in the ISOP as Optionees shall include any Employees and/or Non-Employees of the Company or of any Affiliate; provided, however, that (i) Employees may only be granted 102 Options; (ii) Non-Employees may only be granted 3(i) Options; and (iii) Controlling Shareholders may only be granted 3(i) Options.

4.2. The grant of an Option hereunder shall neither entitle the Optionee to participate nor disqualify the Optionee from participating in, any other grant of Options pursuant to the ISOP or any other option or share plan of the Company or any of its Affiliates.

4.3. Anything in the ISOP to the contrary notwithstanding, all grants of Options to directors and office holders shall be authorized and implemented in accordance with the provisions of the Companies Law or any successor act or regulation, as in effect from time to time.

5. DESIGNATION OF OPTIONS PURSUANT TO SECTION 102

5.1. The Company may designate Options granted to Employees pursuant to Section 102 as Unapproved 102 Options or Approved 102 Options.

5.2. The grant of Approved 102 Options shall be made under this ISOP adopted by the Board as described in Section 16 below, and shall be conditioned upon the approval of this ISOP by the ITA.

5.3. Approved 102 Option may either be classified as Capital Gain Option or Ordinary Income Option.

5.4. Approved 102 Option elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) shall be referred to herein as CGO.

5.5. Approved 102 Option elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) shall be referred to herein as OIO.

5.6. The Company's election of the type of Approved 102 Options as CGO or OIO granted to Employees (the "Election"), shall be appropriately filed with the ITA before the Date of Grant of an Approved 102 Option. Such Election shall become effective beginning the first Date of

Grant of an Approved 102 Option under this ISOP and shall remain in effect until the end of the year following the year during which the Company first granted Approved 102 Options. The Election shall obligate the Company to grant only the type of Approved 102 Option it has elected, and shall apply to all Optionees who were granted Approved 102 Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Options simultaneously.

5.7. All Approved 102 Options must be held in trust by a Trustee, as described in Section 6 below.

5.8. For the avoidance of doubt, the designation of Unapproved 102 Options and Approved 102 Options shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and the regulations promulgated thereunder.

5.9. With regards to Approved 102 Options, the provisions of the ISOP and/or the Option Agreement shall be subject to the provisions of Section 102 and the Tax Assessing Officer's permit, and the said provisions and permit shall be deemed an integral part of the ISOP and of the Option Agreement. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the ISOP or the Option Agreement, shall be considered binding upon the Company and the Optionees.

6. TRUSTEE

6.1. Approved 102 Options which shall be granted under the ISOP and/or any Shares allocated or issued upon exercise of such Approved 102 Options and/or other shares received subsequently following any realization of rights, including without limitation bonus shares, shall be allocated or issued to the Trustee and held for the benefit of the Optionees for such period of time as required by Section 102 or any regulations, rules or orders or procedures promulgated thereunder (the "**Holding Period**"). In the case the requirements for Approved 102 Options are not met, then the Approved 102 Options may be treated as Unapproved 102 Options, all in accordance with the provisions of Section 102 and regulations promulgated thereunder.

6.2. Notwithstanding anything to the contrary, the Trustee shall not release any Shares allocated or issued upon exercise of Approved 102 Options prior to the full payment of the Optionee's tax liabilities arising from Approved 102 Options which were granted to him and/or any Shares allocated or issued upon exercise of such Options.

6.3. With respect to any Approved 102 Option, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, an Optionee shall not sell or release from trust any Share received upon the exercise of an Approved 102 Option and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Optionee.

6.4. Upon receipt of Approved 102 Option, the Optionee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the ISOP, or any Approved 102 Option or Share granted to him thereunder.

7. SHARES RESERVED FOR THE ISOP; RESTRICTION THEREON

7.1. The Company shall from time to time reserve, out of its authorized but unissued share capital, such number of Shares as the Board deems appropriate (subject to the Articles of Association) for the purposes of this ISOP and/or for the purposes of any other share option plans which have

previously been, or may in the future be, adopted by the Company, subject to adjustment as set forth in Section 9 below. Any Shares which remain unissued and which are not subject to then outstanding Options at the termination or expiration of this ISOP shall cease to be reserved for the purpose of this ISOP, but may continue to be reserved for other share option plans then in effect, and in any event, until termination of this ISOP the Company shall at all times reserve sufficient number of Shares to meet the requirements of any then outstanding Options. Should any Option for any reason expire or be canceled prior to its exercise or relinquishment in full, the Shares subject to such Option may again be subjected to a new Option under this ISOP or under the Company's other share option plans, provided, however, that Shares that have actually been issued under this ISOP shall not be returned to the pool under this ISOP and shall not become available for future distribution under this ISOP.

7.2. Each Option granted pursuant to the ISOP, shall be evidenced by a written Option Agreement between the Company and the Optionee, in such form as the Board or the Committee shall from time to time approve. Each Option Agreement shall state, among other matters, the number of Shares to which the Option relates, the type of Option granted thereunder (whether a CGO, OIO, Unapproved 102 Option or a 3(i) Option), the Vesting Dates, the Purchase Price per share, the Expiration Date and such other terms and conditions as the Committee or the Board in its discretion may prescribe, provided that they are consistent with this ISOP.

7.3. Until the consummation of an IPO, such Shares shall be voted by an irrevocable proxy (the "**Proxy**") pursuant to the directions of the Board, such Proxy to be assigned to the Trustee, who will abstain from any and all votes. The Trustee shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the person(s) may have as a director or otherwise under the Company's Articles of Association, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise. Without derogating from the above, with respect to Approved 102 Options, such shares shall be voted in accordance with the provisions of Section 102 and any rules, regulations or orders promulgated thereunder.

8. PURCHASE PRICE

8.1. The Purchase Price of each Share subject to an Option shall be equal to the Share's Fair Market Value or as otherwise determined by the Board in its sole and absolute discretion in accordance with applicable law, subject to any guidelines as may be determined by the Board from time to time. Each Option Agreement will contain the Purchase Price determined for each Option covered thereby (but in any event, not less than the nominal value of the Share issuable upon exercise thereof).

8.2. The Purchase Price shall be payable upon the exercise of the Option in a form satisfactory to the Committee, including without limitation, by cash, check or wire transfer. The Committee shall have the authority to postpone the date of payment on such terms as it may determine.

8.3. The Purchase Price shall be denominated in the currency of the primary economic environment of, either the Company or the Optionee (that is the functional currency of the Company or the currency in which the Optionee is paid) as determined by the Company.

9. ADJUSTMENTS

Upon the occurrence of any of the following described events, Optionee's rights to purchase Shares under the ISOP shall be adjusted as hereafter provided:

9.1. In the event of a Transaction, or if the Company is voluntarily liquidated or dissolved while unexercised Options remain outstanding under the ISOP, the Company shall immediately notify all unexercised Option holders of such event, and the Option holders shall then have twenty (20) days to exercise any unexercised Vested Option held by them at that time, in accordance with the exercise procedure set forth herein, or in the case of a merger or acquisition - to convert such Options into options in the acquiring or merging entity, all pursuant to the Board's determination and full discretion. Notwithstanding the above and subject to any applicable law, the Board shall have full power and authority to determine different mechanisms with respect to unexercised Options outstanding under the ISOP.

9.2. If the outstanding shares of the Company shall at any time be changed or exchanged by declaration of a share dividend (bonus shares), share split, combination or exchange of shares, recapitalization, or any other like event by or of the Company, and as often as the same shall occur, then the number, class and kind of the Shares subject to the ISOP or subject to any Options therefore granted, and the Purchase Prices, shall be appropriately and equitably adjusted so as to maintain the proportionate number of Shares without changing the aggregate Purchase Price, provided, however, that no adjustment shall be made by reason of the distribution of subscription rights (rights offering) on outstanding shares. Upon happening of any of the foregoing, the class and aggregate number of Shares issuable pursuant to the ISOP (as set forth in Section 7 hereof), in respect of which Options have not yet been exercised, shall be appropriately adjusted, all as will be determined by the Board whose determination shall be final.

9.3. Anything herein to the contrary notwithstanding, if prior to the completion of the IPO all or substantially all of the shares of the Company are to be sold, or in case of a Transaction, all or substantially all of the shares of the Company are to be exchanged for securities of another Company, then each Optionee shall be obliged to sell or exchange, as the case may be, any Shares such Optionee purchased under the ISOP, in accordance with the instructions issued by the Board in connection with the Transaction, whose determination shall be final.

10. TERM AND EXERCISE OF OPTIONS

10.1. Options shall be exercised by the Optionee by giving written notice to the Company, in such form and method as may be determined by the Company and when applicable, by the Trustee in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and the payment of the Purchase Price at the Company's principal office. The notice shall specify the number of Shares with respect to which the Option is being exercised.

10.2. Options, to the extent not previously exercised, shall terminate forthwith upon the earlier of: (i) the date set forth in the Option Agreement; (ii) the expiration of seven (7) years from the Date of Grant, or (iii) the expiration of any extended period in any of the events set forth in Section 10.5 below.

10.3. The Options may be exercised by the Optionee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable, prior to the Expiration Date, and provided that, subject to the provisions of section 10.5 below, the Optionee is employed by or providing services to the Company or any of its Affiliates, at all times during the period beginning with the granting of the Option and ending upon the date of exercise.

10.4. Subject to the provisions of Section 10.5 below, in the event of termination of Optionee's employment or services, with the Company or any of its Affiliates, all Options granted to such Optionee will immediately expire. A notice of termination of employment or service shall be deemed to constitute termination of employment or service. For the avoidance of doubt, in case of such termination of employment or service, the unvested portion of the Optionee's Option shall not vest and shall not become exercisable.

10.5. Notwithstanding anything to the contrary hereinabove and unless otherwise determined in the Optionee's Option Agreement, an Option may be exercised after the date of termination of Optionee's employment or service with the Company or any Affiliates during an additional period of time beyond the date of such termination, but only with respect to the number of Vested Options at the time of such termination according to the Vesting Dates, if:

10.5.1. termination is without Cause, in which event any Vested Option still in force and unexpired may be exercised within a period of ninety (90) days after the date of such termination; or-

10.5.2. termination is the result of death or Disability of the Optionee, in which event any Vested Option still in force and unexpired may be exercised within a period of twelve (12) months after the date of such termination; or -

10.5.3. prior to the date of such termination, the Committee shall authorize an extension of the terms of all or part of the Vested Options beyond the date of such termination for a period not to exceed the period during which the Options by their terms would otherwise have been exercisable.

10.5.4. For avoidance of any doubt, if termination of employment or service is for Cause, any outstanding unexercised Option (whether vested or non-vested), will immediately expire and terminate, and the Optionee shall not have any right in connection to such outstanding Options.

10.6. To avoid doubt, the Optionees shall not have any of the rights or privileges of shareholders of the Company in respect of any Shares purchasable upon the exercise of any Option, nor shall they be deemed to be a class of shareholders or creditors of the Company for purpose of the operation of Sections 350 and 351 of the Companies Law or any successor to such section, until registration of the Optionee as holder of such Shares in the Company's register of shareholders upon exercise of the Option in accordance with the provisions of the ISOP, but in case of Options and Shares held by the Trustee, subject to the provisions of Section 6 above.

10.7. Any form of Option Agreement authorized by the ISOP may contain such other provisions as the Committee may, from time to time, deem advisable.

10.8. With respect to Unapproved 102 Option, if the Optionee ceases to be employed by the Company or any Affiliate, the Optionee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulation or orders promulgated thereunder.

11. VESTING OF OPTIONS

11.1. Subject to the provisions of the ISOP, each Option shall vest following the Vesting Dates and for the number of Shares as shall be provided in the Option Agreement. However, no Option shall be exercisable after the Expiration Date. Unless the Committee provides otherwise, vesting of Options granted hereunder shall be tolled during any unpaid leave of absence.

11.2. Unless otherwise stated in the Optionee's Option Agreement, all Options granted pursuant to this ISOP, shall vest annually, in eight (4) equal portions, over a 4-year period from its Date of Grant, with twenty five percent (25%) of such Option becoming vested at the end of each twelve (12) month period following the Date of Grant.

11.3. An Option may be subject to such other terms and conditions on the time or times when it may be exercised, as the Board may deem appropriate. The vesting provisions of individual Options may vary.

12. SHARES SUBJECT TO RIGHT OF FIRST REFUSAL AND BRING ALONG

12.1. Notwithstanding anything to the contrary in the Articles of Association of the Company, none of the Optionees shall have a right of first refusal in relation with any sale of shares in the Company.

12.2. Unless otherwise determined by the Committee, until such time as the Company shall complete an IPO, an Optionee shall not have the right to sell Shares issued upon the exercise of an Option within six (6) months and one day of the date of exercise of such Option or issuance of such Shares. Unless otherwise determined by the Committee, until such, time as the Company shall complete an IPO, the sale of Shares issuable upon the exercise of an Option shall be subject to a right of first refusal on the part of the Repurchaser(s), in accordance with the applicable provision set forth in the Company Articles of Association, in effect at the pertinent time and as amended from time to time.

12.3. Repurchaser(s) means (i) the Company, if permitted by applicable law, (ii) if the Company is not permitted by applicable law, then any affiliate of the Company designated by the Committee; or (iii) if no decision is reached by the Committee, then the Company's existing shareholders (save, for avoidance of doubt, for other Optionees who already exercised their Options), pro rata in accordance with their shareholding.

12.4. Any sale of Shares issued under the ISOP by the Optionee that is not made in accordance with the ISOP or the Option Agreement or the Articles of Association of the Company, shall be null and void.

12.5. Prior to an IPO, and in addition to the right of first refusal, any transfer of Shares by an Optionee shall require the approval of the Board as to the identity of the transferee and as may be required under the Articles of Association. The Board may refuse to approve the transfer of Shares by an Optionee to any other person or entity the Board determined, in its discretion, may be detrimental to the Company, including without limitation to a competitor of the Company.

12.6. Notwithstanding anything herein to the contrary, the Optionee shall be bound by the "bring along" provisions of the Articles of Association and/or any agreement among the Company and all or substantially all of its shareholders, as in effect from time to time, to the effect that if, prior to the completion of the IPO, shareholders holding a certain percentage of the Company's share capital (as set forth in such agreement) ("**Proposing Holders**"), elect to sell all of their equity securities in the Company to a third party, or agree to merge or consolidate the Company with or into another entity, and such sale or merger is conditioned upon the sale of all remaining stock of the Company to such third party, or to the agreement of all of the shareholders, the Optionees shall be required, if so demanded by the Proposing Holders, to sell or transfer all of their equity securities in the Company to such third party as stipulated in the Articles of Association or such other shareholders agreement referred to herein. If no specific percentage of Proposing Holders is stipulated in the Articles of Association or such a shareholders agreement, then the percentage for the purposes of this Section and for the purposes of Section 341 of the Companies Law shall be seventy percent (70%).

13. DIVIDENDS

With respect to all Shares (but excluding, for avoidance of any doubt, any unexercised Options) allocated or issued upon the exercise of Options purchased by the Optionee and held by the Optionee or by the Trustee, as the case may be, the Optionee shall be entitled to receive dividends in accordance with the quantity of such Shares, subject to the provisions of the Company's Articles of Association (and all amendments thereto) and subject to any applicable taxation on distribution of dividends, and when applicable subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

14. CONDITIONS UPON ISSUANCE OF SHARES

14.1. Legal Compliance. Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

14.2. Investment Representations. As a condition to the exercise of an Option, the Committee may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

14.3. Lock Up. As a condition to the exercise of an Option the Optionee will sign and execute a lock up agreement, prohibiting the Optionee from, pledging, selling, contracting to sell, or otherwise dispose of or transfer any with respect to the Shares for such a period, and on such terms and conditions, as determined by the Board at its sole and absolute discretion.

15. RESTRICTIONS ON ASSIGNABILITY AND SALE OF OPTIONS

15.1. Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee, or by his guardian or legal representative to the extent provided for herein. An Optionee may file with the Board a written designation of the beneficiary on such form as may be prescribed by the Board and may from time to time amend or revoke such designation. If no designated beneficiary survives the Optionee, then the executor or administrator of the Optionee estate shall be deemed to be the Optionee's beneficiary.

15.2. As long as Options and/or Shares are held by the Trustee on behalf of the Optionee, all rights of the Optionee over the Shares are personal, can not be transferred, assigned, pledged or mortgaged, other than by will or pursuant to the laws of descent and distribution.

16. EFFECTIVE DATE AND DURATION OF THE ISOP

The ISOP shall be effective as of the day it was adopted by the Board and shall terminate at the end of ten (10) years from such day of adoption.

The Company shall obtain the approval of the Company's shareholders for the adoption of this ISOP or for any amendment to this ISOP, if shareholders' approval is necessary or desirable to comply with any applicable law, or if shareholders' approval is required by any authority or by any governmental agencies or national securities exchanges.

17. PURCHASE FOR INVESTMENT, REPRESENTATIONS

17.1. Upon the grant of Options to an Optionee or the issuance of Shares upon the exercise thereof, the Company shall obtain from the Optionee the representations and undertakings as follows, and any other representations and warranties that the Committee may deem advisable, and the giving of such representations and warranties by the Optionee shall be a condition precedent to Optionee's right to receive the Option and/or be issued the Shares upon exercise thereof:

(a) That the Optionee knows that there is no certainty that the exercise of the Options will be financially worthwhile. The Optionee thereby undertakes not to have any claim against the Company or any of its directors, employees, stockholders or advisors if it emerges, at the time of exercising the Options, that the Optionee's investment in the Company's Shares was not worthwhile, for any reason whatsoever.

(b) That the Optionee knows and understands that his rights regarding the Options and the Shares are subject for all intents and purposes to the instructions of the Company's documents of incorporation and to the agreements of the shareholders in the Company.

(c) That the Optionee knows that in addition to the allocations set forth above, the Company has allocated and/or is entitled to allocate Options and Shares to other employees and other people, and the Optionee shall have no claim regarding such allocations, their quantity, the relationship among them and between them and the other shareholders in the Company, exercising of the options or any matter related to or stemming from them.

(d) That the Optionee knows that neither this ISOP nor the grant of Option or Shares thereunder shall impose any obligation on the Company to continue the engagement of the Optionee, and nothing in this ISOP or in any Option or Shares granted pursuant thereto shall confer upon any Optionee any right to continue being engaged by the Company, or restrict the right of the Company to terminate such engagement at any time.

17.2. That the Optionee knows and agrees that it is possible that in the next future issuances by the Company of any additional share capital or other rights or securities convertible into or exchangeable for share capital of the Company, without consideration or for consideration, the price per share will be less than the price determined herein, and that in such event the Optionee will in no event be entitled to any right to full, ratchet anti-dilution protection.

18. INABILITY TO OBTAIN AUTHORITY

The inability of the Company to obtain authority from any regulatory body having jurisdiction, or corporate organ 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.

19. AMENDMENTS OR TERMINATION

The Board may at any time, but when applicable, after consultation with the Trustee, amend, alter, suspend or terminate the ISOP. No amendment, alteration, suspension or termination of the ISOP shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Company, which agreement must be in writing and signed by the Optionee and the Company. Termination of the ISOP shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the ISOP prior to the date of such termination.

20. GOVERNMENT REGULATIONS

The ISOP, and the granting and exercise of Options hereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules, and regulations, whether of the State of Israel or any other state having jurisdiction over the Company and the Optionee, and the Ordinance and to such approvals by any governmental agencies or national securities exchanges as may be required. Nothing herein shall be deemed to require the Company to register the Shares under the securities laws of any jurisdiction.

21. CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES

Neither the ISOP nor the Option Agreement with the Optionee shall impose any obligation on the Company or an Affiliate thereof, to continue any Optionee in its employ or service, and nothing in the ISOP or in any Option granted pursuant thereto shall confer upon any Optionee any right to continue in the employ or service of the Company or an Affiliate thereof or restrict the right of the Company or an Affiliate thereof to terminate such employment or service at any time.

22. GOVERNING LAW & JURISDICTION

The ISOP shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of Tel-Aviv, Israel shall have sole jurisdiction in any matters pertaining to the ISOP.

23. INTEGRATION OF SECTION 102 AND TAX COMMISSIONER'S PERMIT

23.1. With regards to Approved 102 Options, the provisions of this ISOP and the Option Agreement shall be subject to the provisions of Section 102 and the ITA's permit, and the said provisions and permit shall be deemed an integral part of this ISOP and of the individual Option Agreements with each Optionee.

23.2. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in this ISOP or the individual Option Agreement of the Optionees, shall be considered binding upon the Company and the Optionees.

24. TAX CONSEQUENCES

24.1. Any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby or from any other event or act (of the Company and/or its Affiliates, the Trustee or the Optionee), hereunder, shall be borne solely by the Optionee. The Company and/or its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Optionee shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee.

24.2. The Company and/or, when applicable, the Trustee shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.

25. NON-EXCLUSIVITY OF THE ISOP

The adoption of the ISOP by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of Options otherwise than under the ISOP, and such arrangements may be either applicable generally or only in specific cases.

For the avoidance of doubt, prior grant of options to Optionees of the Company under their employment agreements, and not in the framework of any previous option plan, shall not be deemed an approved incentive arrangement for the purpose of this Section 25.

26. MULTIPLE AGREEMENTS

The terms of each Option may differ from other Options granted under the ISOP at the same time, or at any other time. The Board may also grant more than one Option to a given Optionee during the term of the ISOP, either in addition to, or in substitution for, one or more Options previously granted to that Optionee.

UROGEN PHARMA LTD.
("COMPANY")

2010 ISRAELI SHARE OPTION PLAN
("PLAN")

AMENDMENT

ADOPTED BY THE BOARD OF DIRECTORS ON MAY 25TH, 2016

1. Capitalized terms used herein and not otherwise defined shall have the respective meaning ascribed to them in the Plan.

2. Section 10.5.1 shall be replaced by the following wording:

"10.5.1 termination is without Cause, in which event any Vested Option still in force and unexpired may be exercised within a period of ninety (90) days after the date of such termination, and in case of retiring members of the board of directors, subject to Section 10.2 above, the earlier of (i) the closing of a Transaction, (ii) 3rd (third) anniversary of the retirement date, and (iii) 9 (nine) months following an IPO; or"

3. Section 11.4 will be added and shall read, as follows:

"11.4 In the event of Change of Control all unvested options shall immediately become fully vested in their entirety.

"*Change of Control*" means any of the following events: (a) sale of all or substantially all of the shares of the Company; or (b) a merger, consolidation, reorganization of the Company or a similar business combination, in which the Company is not the surviving entity; or (c) the sale, transfer or other disposition of all or substantially all of the Company's assets or, all or substantially all of the shares of the Company are to be exchanged for securities of another Company."

4. Section 11.5 will be added and shall read, as follows:

"11.5 Cashless (Net) Exercise. In the event of Change of Control, in lieu of cash payment method, the Optionee may elect, at any time, to exchange the Options for a number of Shares equal to the increase in value of the Shares otherwise purchasable hereunder on the date of exchange ("**Cashless (Net) Exercise**"). If the Optionee elects to exchange the Options as provided in this Section 11.5, the Optionee shall tender to the Company the Options along with the notice of exercise, and the Company shall issue to the Optionee the number of Shares computed using the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where: X = the number of Shares to be issued to the Optionee.

Y = a number of Shares purchasable under the Options (as adjusted to the date of such calculation, but excluding those shares already issued under the Options).

A = the Fair Market Value (as defined below) of one share of the Company's Shares.

B = Exercise Price (as adjusted to the date of such calculation).

"**Fair Market Value**" of a Share shall mean:

(i) Except as set forth in paragraph (ii) (below), if the exercise of this Options is immediately prior to a Transaction, then the price per share paid by purchaser of the Company's securities (or deemed price per share paid for the Company's assets).

(ii) If the Exercise Date is the closing of the IPO then the IPO price per share in such offering.

5. This Amendment shall apply to all grants made under the Plan.

6. Except as specifically provided herein, there are no other amendments to the Plan. The Plan, as amended hereby, shall continue in full force and effect. In the event of contradiction between any provision of the Plan and this Amendment thereto as set forth herein, this Amendment shall prevail.

Exhibit 10.3

INVESTORS' RIGHTS AGREEMENT

THIS INVESTORS' RIGHTS AGREEMENT (the "**Agreement**") is made as of September 18, 2014, by and among TheraCoat Ltd., a private company incorporated under the laws of the State of Israel of, 13 HaSadna St., P.O. Box 2397, Ra'anana 4365007, Israel (the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor.**"

RECITALS

WHEREAS, pursuant to a Series A Share Purchase Agreement (the "**Purchase Agreement**"), of even date herewith, by and among the Company and the Investors, the Investors are purchasing Series A Preferred Shares of the Company (the "**Financing**"); and

WHEREAS, in order to induce the Company to enter into the Purchase Agreement and to induce the Investors to invest funds in the Company pursuant to the Purchase Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares issuable to the Investors and to receive certain information from the Company, and shall govern certain other matters as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Company and the Investors agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Amended Articles**" means the Company's Amended Articles of Association adopted pursuant to the Financing, as amended from time to time.

1.2 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including without limitation any general partner, managing member, officer or director of such specified Person and any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, such specified Person.

1.3 "**Board**" means the Board of Directors of the Company.

1.4 "**Certificate of Incorporation**" means the Company's Certificate of Incorporation, as the same may be amended or restated from time to time.

1.5 "**Ordinary Shares**" means the Ordinary Shares of the Company, par value NIS 0.01 per share.

1.6 "**Competitive Operating Entity**" means an operating corporation, partnership, limited liability company or similar entity actively engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the design, development, manufacture, marketing or sale of novel drug delivery systems, it being agreed however that Sol-Gel Ltd. is not a Competitive Operating Entity and that Arkin and Pontifax are active life science investors.

1.7 “**Damages**” means any loss, damage, or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other U.S. federal or state law, insofar as such loss, damage, or liability (or any action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an 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 (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.8 “**Liquidation Event**” has the meaning assigned to such term in the Amended Articles.

1.9 “**Derivative Securities**” means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Ordinary Shares, including options and warrants.

1.10 “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.11 “**Excluded Registration**” means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Ordinary Shares being registered are Ordinary Shares issuable upon conversion of debt securities that are also being registered.

1.12 “**Form F-1**” means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.13 “**Form F-3**” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.14 “**GAAP**” means generally accepted accounting principles in US GAAP.

1.15 “**Holder**” means any holder of Registrable Securities who is a party to this Agreement or any assignee thereof in accordance with Section 2.12.

1.16 “**Immediate Family Member**” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of a natural person referred to herein.

1.17 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.18 "**IPO**" means the Company's first underwritten public offering of its Ordinary Shares under the Securities Act.

1.19 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds at least 25,000 Preferred Shares (or such number of Ordinary Shares issued upon conversion of 25,000 Preferred Shares) (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.20 "**New Securities**" means equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible into or exchangeable into or exercisable for such equity securities. For the avoidance of doubt, "Excluded Securities" (as defined in the Amended Articles) shall be deemed not to be New Securities.

1.21 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.22 "**Preferred Shares**" means, the Series A Preferred Shares, par value NIS 0.01 per share.

1.23 **"Qualified Financing"** means any transaction involving the issuance or sale of New Securities by the Company.

1.24 "**Qualified Public Offering**" has the meaning assigned to such term in the Certificate of Incorporation.

1.25 "**Registrable Securities**" means (i) the Ordinary Shares issuable or issued upon conversion of the Preferred Shares now owned or hereafter acquired by the Investors; (ii) any other Ordinary Shares acquired by the Investors after the date hereof; and (iii) any Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) or (ii) of this Section 1.25, provided however, that (x) any shares sold by a Person in a transaction in which such Person's rights under Section 2 hereof are not assigned shall not be deemed Registrable Securities and (y) any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement shall not be deemed Registrable Securities.

1.26 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of Ordinary Shares that are Registrable Securities and the number of Ordinary Shares issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.27 **"Requisite Investors"** means the holders of at least 50% of the Registrable Securities then outstanding.

1.28 "**Restricted Securities**" means the securities of the Company required to bear the legend set forth in Section 2.12(b) hereof.

1.29 "**SEC**" means the U.S. Securities and Exchange Commission.

1.30 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.31 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

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

1.33 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

2. Additional Investors.

2.1 Each Additional Investor (as such term is defined under the Purchase Agreement) that joins the Purchase Agreement shall become a party to this Agreement upon executing a counterpart signature page to this Agreement in the form set forth as Schedule 2.1 attached hereto.

3. Registration Rights. The Company covenants and agrees as follows:

3.1 Demand Registration.

(a) Form F-1 Demand. If at any time after 180 days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of at least 30% of the Registrable Securities then outstanding that the Company file a Form F-1 registration statement with respect to Registrable Securities then outstanding having an anticipated aggregate offering price of at least $5,000,000, then the Company shall (i) within 10 days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within 60 days after the date such request is given by the Initiating Holders, file a Form F-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within 20 days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(b) Form F-3 Demand. If at any time when it is eligible to use a Form F-3 registration statement, the Company receives a request from Holders of the Registrable Securities then outstanding that the Company file a Form F-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price of at least $3,000,000, then the Company shall (i) within 10 days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within 45 days after the date such request is given by the Initiating Holders, file a Form F-3 registration statement

under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within 20 days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board it would be materially detrimental to the Company and its shareholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than 60 days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any 12-month period; and provided further that the Company shall not register any securities for its own account or that of any other shareholder during such 60-day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a) (i) during the period that is 60 days before the Company's good faith estimate of the date of filing of, and ending on a date that is 180 days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two registrations pursuant to Section 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form F-3 pursuant to a request made pursuant to Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(b) (i) during the period that is 30 days before the Company's good faith estimate of the date of filing of, and ending on a date that is 90 days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Section 2.1(b) within the 12-month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.1(d).

3.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for shareholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each

Holder given within 20 days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effectiveness of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6.

3.3 Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest 100 shares.

(b) In connection with any offering involving an underwriting of shares of the Company's shares pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by shareholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as

practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest 100 shares. Notwithstanding the foregoing, in no event shall the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, shareholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provision in Section 2.3(a), fewer than 50% of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

3.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to 120 days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such 120-day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Ordinary Shares (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form F-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such 120-day period shall be extended for up to 180 days in the aggregate, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky

laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on the New York Stock Exchange or the Nasdaq Global Market and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each Holder of Registrable Securities covered by such registration statement of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

3.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

3.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration

request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b), as the case may be; provided further, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information, then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b), as the case may be. All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

3.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

3.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and shareholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company (which consent shall not be unreasonably delayed, conditioned or withheld), nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished expressly for the use in connection with such registration by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based solely upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder

will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably delayed, conditioned or withheld; and provided further that in no event shall any indemnity or contribution under Sections 2.8(b) or 2.8(d) exceed the net proceeds from the offering received by such Holder, except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, only if that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. 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 of 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;

provided, however, that, in any such case, (x) no such Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the net proceeds from the offering received by such Holder, except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

3.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC 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 F-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effectiveness of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 (at any time after the Company 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 may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form F-3 (at any time after the Company so qualifies to use such form).

3.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Requisite

Investors, enter into any agreement with any holder or prospective holder of any securities of the Company which would allow such holder or prospective holder to (a) include such securities in any registration unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included or (b) demand registration of any securities held by such holder or prospective holder.

3.11 "Market Stand off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed 180 days, which period may be extended upon the request of the managing underwriter, to the extent required by any NASD or FINRA rules, for an additional period of up to 20 days if the Company issues or proposes to issue an earnings or other public release within 20 days of the expiration of the 180-day lockup period), (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Ordinary Shares held immediately prior to the effectiveness of the registration statement for the IPO, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) of this Section 2.11 is to be settled by delivery of Ordinary Shares or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.11 shall apply only to the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holders if all officers, directors and holders of more than one percent of the outstanding Ordinary Shares are subject to similar agreements. The underwriters in connection with the IPO are intended third-party beneficiaries of this Section 2.11 and shall have the right, power, and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with the IPO that are consistent with this Section 2.11 or that are necessary to give further effect thereto.

3.12 Restrictions on Transfer.

(a) The Preferred Shares and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Shares and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate or instrument representing (i) the Preferred Shares, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 2.12(c)) be stamped or otherwise imprinted with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.12.

(c) The holder of each certificate representing Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144 or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Section 2.12. Each certificate or instrument evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act. Notwithstanding anything to the contrary herein, no Holder shall be permitted to transfer its Restricted Securities to a Competitive Operating Entity (other than in connection with a Purchase Offer made pursuant to the Amended Articles) without the prior written consent of the Company and the Requisite Investors; provided, however, that an

Investor may transfer its shares to a Competitive Operating Entity that is an Affiliate of such Investor without such consent, provided that such transferee will not be entitled to any rights provided pursuant to, or to obtain information under, Section 3 of this Agreement.

3.13 Termination of Registration Rights.

(a) No Holder shall be entitled to exercise any right provided for in this Section 2 after, and all such rights shall terminate upon the earlier to occur of (i) the closing of a Liquidation Event and (ii) the fifth anniversary of the IPO.

(b) The rights set forth in this Section 2 shall terminate as to any shares of Registrable Securities when such shares have been (i) registered under the Securities Act pursuant to an effective registration statement filed thereunder and disposed of in accordance with the registration statement covering them or (ii) publicly sold pursuant to SEC Rule 144.

4. Information Rights.

4.1 Delivery of Financial Statements to Major Investors. The Company shall deliver to each Major Investor, provided that the Board has not reasonably determined that such Major Investor is a Competitive Operating Entity:

(a) as soon as practicable, but in any event (i) no later than 180 days following the end of each fiscal year of the Company (beginning with the fiscal year ended December 31, 2014), (a) a balance sheet as of the end of such year, (b) statements of income and of cash flows for such year and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Section 3.1(e)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (c) a statement of shareholders' equity as of the end of such year, all such financial statements, comparisons and explanations to be in reasonable detail, prepared in accordance with GAAP and such financial statements audited and certified by independent public accountants of nationally or regionally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of shareholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Ordinary Shares issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Ordinary Shares and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit such Major Investor to calculate its respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(d) as soon as practicable, but in any event 30 days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board, prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(e) with respect to the financial statements called for in Section 3.1(a), Section 3.1(b) and Section 3.1(d), an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Section 3.1(b) and Section 3.1(d)) and fairly present the financial condition of the Company and its results of operation for the periods specified therein; and

(f) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company) or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the 60-day period before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

4.2 Inspection. The Company shall permit each Major Investor (provided that the Board has not reasonably determined that such Major Investor is a Competitive Operating Entity), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

4.3 Termination of Information and Inspection Covenants. The covenants set forth in Section 3.1 and Section 3.2 shall terminate and be of no further force or effect (i) immediately prior to the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Liquidation Event, whichever event occurs first.

4.4 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3.4 by such Investor), (b) as evidenced by written documents is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, provided that (y) such prospective purchaser agrees to be bound by the provisions of this Section 3.4 and (z) the Board has not reasonably determined that such prospective purchaser is a Competitive Operating Entity; (iii) to any existing or prospective Affiliate, partner, member, shareholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

5. Additional Covenants.

5.1 Insurance. The Company shall maintain, from financially sound and reputable insurers Directors and Officers liability insurance in an amount US$3,000,000 (three million United States Dollars) and on terms and conditions satisfactory to the Board. The Company will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board determines that such insurance should be discontinued.

5.2 Board Matters. Unless otherwise provided for in the Amended Articles or determined by the vote of a majority of the directors then in office, the Board shall meet at least quarterly in accordance with an agreed-upon schedule. The Company shall reimburse the directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board.

5.3 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board as in effect immediately before such transaction, whether such obligations are contained in the Company's Amended Articles, separate agreement, or elsewhere, as the case may be.

5.4 Termination of Covenants. The covenants set forth in this Section 5, except for Section 5.4, shall terminate and be of no further force or effect upon the earliest of (a) immediately prior to the consummation of the IPO, (b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, and (c) upon the closing of a Liquidation Event.

6. Miscellaneous.

6.1 Successors and Assigns. Except as provided in Section 2.12(c), the rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 500,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11; and (z) such transfer occurs in compliance with Section 2.12(c). For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or shareholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Israel, regardless of the laws that might otherwise govern under applicable principles of conflicts of law.

6.3 Counterparts; Facsimile. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given and received upon the earliest of (a) actual receipt, (b) personal delivery to the party to be notified, (c)

when sent, if sent by electronic mail or confirmed facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (d) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, and (e) four business days after deposit with an internationally recognized overnight courier (it being agreed that DHL and FedEx are internationally recognized overnight couriers), freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their facsimile number or address (and with such copies, which shall not constitute notice) as set forth herein, on a signature page hereto or on Schedule A hereto, as the case may be, or to such facsimile number or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, it shall be sent to TheraCoat Ltd., 13 HaSadna St., P.O. Box 2397, Ra'anana 4365007, Israel; fax: +972-77-4171410; e-mail: gil.hakim@theracoat.com, with a copy to: Yaron Sobol, Adv., Hamburger Evron & Co., The Museum Tower, 4 Berkowitz St., Tel Aviv 6423806, Israel; fax: +972-3-607-4004; e-mail: yaron.sobol@evronlaw.com.

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the Requisite Investors; provided, that the Company may in its sole discretion waive compliance with Section 2.12(c); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities then outstanding, each future holder of all such Registrable Securities, the Company, and all of their respective successors and permitted assigns. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion, including, for the avoidance of doubt, that this sentence may not be amended, terminated or waived as to such Investor without the written consent of such Investor. The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. 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.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Shares. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Entire Agreement. This Agreement (including any exhibits and schedules hereto), the Amended Articles and the other Transaction Agreements (as defined in the Purchase Agreement) and the agreements, documents and instruments referenced therein constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

6.10 Submission to Jurisdiction. The parties hereto (a) hereby irrevocably and unconditionally submit to the jurisdiction of the appropriate courts in the Tel Aviv Jaffa District for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the appropriate courts in the Tel Aviv Jaffa District, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the appropriate courts in the Tel Aviv Jaffa District having subject matter jurisdiction.

6.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.12 Acknowledgment. The Company acknowledges that at least some of the Investors are in the business of venture capital and private equity investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which are adverse to or compete directly or indirectly with those of the Company. Nothing in this Agreement shall otherwise preclude or in any way restrict any Investor or any Affiliate thereof from investing or participating in any particular enterprise whether or not such enterprise has products or services which are adverse to or compete, directly or indirectly, with those of the Company. Notwithstanding, the preceding sentence shall not release or relieve any Investor from its obligations and undertaking pursuant to Section 4.4 above.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

THERACOAT LTD.

By: /s/ Gil Hakim
Name: Gil Hakim
Title: Chief Executive Officer

By: /s/ Yossi Yavin
Name: Yossi Yavin
Title: Director

THE INVESTORS:

M. ARKIN (1999) LTD.

By: /s/ Nir Arkin
Name: Nir Arkin
Title: Director

PONTIFAX (ISRAEL) III L.P.

By: Pontifax Ltd., its General Partner

By: /s/ Ran Nussbaum

Title: Director

PONTIFAX (CAYMAN) III L.P.

By: Pontifax Ltd., its General Partner

By: /s/ Ran Nussbaum

Title: Director

SCHEDULE A

M. ARKIN (1999) LTD.

PONTIFAX (ISRAEL) III L.P.

PONTIFAX (CAYMAN) III L.P.

AMENDMENT TO INVESTORS' RIGHTS AGREEMENT

THIS AMENDMENT TO INVESTORS' RIGHTS AGREEMENT (this "Amendment") is entered into effective as of October 1st, 2015 ("Effective Date"), by and among TheraCoat Ltd. ("Company"), Arkin Communications Ltd. ("Arkin"), Pontifax (Israel) III Limited Partnership ("Pontifax IL") and Pontifax Cayman III Limited Partnership ("Pontifax CM").

WHEREAS, on September 18, 2014, the Company entered into that certain Investors' Right Agreement with each of the investors listed on Schedule A thereto ("IRA); and

WHEREAS, Arkin, Pontifax IL and Pontifax CM hold at least 50% (fifty percent) of the Registrable Securities outstanding and qualify as Requisite Investors; and

WHEREAS, pursuant to Section 6.6 of the IRA any term of the IRA may be amended and the observance of any term of the IRA may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the Requisite Investors; and

WHEREAS, the Company and the Requisite Investors desire to amend the IRA as provided herein;

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Capitalized terms used herein (including in the preamble to the Amendment) and not otherwise defined shall have the respective meaning ascribed to them in the IRA.

2. As of the Effective Date Section 1.6 of the IRA shall be deleted and replaced by the following section:

"1.6 "**Competitive Operating Entity**" means an operating corporation, partnership, limited liability company or similar entity actively engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the design, development, manufacture, marketing or sale of novel drug delivery systems, it being agreed however that Sol-Gel Ltd. is not a Competitive Operating Entity and that Arkin, Pontifax and ProQuest Investments IV, L.P. are active life science investors."

3. As of the Effective Date Section 3.12(a) of the IRA shall be deleted and replaced by the following section:

"(a) The Preferred Shares and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. It is clarified that a transfer made in accordance with Rule 144 shall not be restricted and shall be deemed to be made in accordance with the conditions specified in this Agreement. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Shares and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement."

4. All references in Section 3 of the IRA to various Sub-Sections in Section 2 of the IRA, or references to Section 2 of the IRA itself should be references to the corresponding Sub-Section in Section 3 of the IRA, or to Section 3 of the IRA itself.

5. Except as specifically provided herein, there are no other amendments to the IRA. The IRA, as amended hereby, shall continue in full force and effect and is hereby ratified and affirmed by the parties thereto. In the event of contradiction between any provision of the IRA and an amendment thereto as set forth herein, such amendment shall prevail.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Amendment, as of the date first stated above.

/s/ Ron Bentsur
TheraCoat Ltd.
By: Ron Bentsur
Title: CEO

/s/ Nir Arkin
Arkin Communications Ltd.
By: Nir Arkin
Title: Director

/s/ Ran Nussbaum
Pontifax (Israel) III Limited Partnership
By: Ran Nussbaum
Title: Managing Partner

/s/ Ran Nussbaum
Pontifax Cayman III Limited Partnership
By: Ran Nussbaum
Title: Managing Partner

AMENDMENT No. 2 TO INVESTORS' RIGHTS AGREEMENT

THIS AMENDMENT No. 2 TO INVESTORS' RIGHTS AGREEMENT ("Amendment No. 2") is entered into effective as of April 12, 2016 ("Effective Date"), by and among UroGen Pharma Ltd. ("Company"), Arkin Communications Ltd. ("Arkin"), Pontifax (Israel) III Limited Partnership ("Pontifax IL"), Pontifax Cayman III Limited Partnership ("Pontifax CM") and ProQuest Investments IV, L.P. ("ProQuest").

WHEREAS, on September 18, 2014, the Company entered into that certain Investors' Right Agreement with each of the investors listed on Schedule A thereto ("IRA"); and

WHEREAS, on October 1, 2015, the Company and the Requisite Investors (as such term is define under the IRA) entered into that certain Amendment to Investors' Right Agreement ("Amendment No. 1"); and

WHEREAS, Arkin, Pontifax IL, Pontifax CM and ProQuest hold at least 50% (fifty percent) of the Registrable Securities outstanding and qualify as Requisite Investors; and

WHEREAS, pursuant to Section 6.6 of the IRA any term of the IRA may be amended and the observance of any term of the IRA may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the Requisite Investors; and

WHEREAS, the Company and the Requisite Investors desire to amend the IRA as provided herein;

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Capitalized terms used herein (including in the preamble to the Amendment No. 2) and not otherwise defined shall have the respective meaning ascribed to them in the IRA and Amendment No. 1.

2. As of the Effective Date Section 3.2 of the IRA shall be deleted and replaced by the following section:

"3.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for shareholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within 20 days after such notice is given by the Company, the Company shall, subject to the provisions of Section 3.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 3.2 before the effectiveness of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 3.6.

This Section 3.2 shall not apply in the event of an IPO."

3. All references in Section 4 of the IRA to various Sub-Sections in Section 3 of the IRA, or references to Section 3 of the IRA itself should be references to the corresponding Sub-Section in Section 4 of the IRA, or to Section 4 of the IRA itself.

4. Except as specifically provided herein, there are no other amendments to the IRA and Amendment No. 1. The IRA and Amendment No. 1, as amended hereby, shall continue in full force and effect and is hereby ratified and affirmed by the parties thereto. In the event of contradiction between any provision of the IRA and an amendment thereto as set forth herein, such amendment shall prevail.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Amendment, as of the date first stated above.

UroGen Pharma Ltd.

By: /s/ Ron Bentsur
Title: Chief Executive Officer

Arkin Communications Ltd.

By: /s/ Moshe Arkin
Title: Director

Pontifax (Israel) III Limited Partnership

By: /s/ Ran Nussbaum
Title: Managing Partner

Pontifax Cayman III Limited Partnership

By: /s/ Ran Nussbaum
Title: Managing Partner

ProQuest Investments IV, L.P.

By: /s/ Pasquale DeAngelis
Title: Managing Member of the General Partner

Exhibit 10.4

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of October 1st, 2015 ("Effective Date"), by and between TheraCoat Ltd., a limited liability company, incorporated under the laws of the State of Israel (the "Purchaser"), of the first party; and Telormedix SA, a company incorporated under the laws of Switzerland ("Seller"), of the second party (Purchaser and Seller shall be referred to as a "Party" or "Parties", as applicable).

WHEREAS, the Purchaser is engaged in the development, testing and commercialization of a novel drug delivery system which may be used for various therapeutic purposes, including the treatment of bladder and upper tract cancers and other urology related diseases; and

WHEREAS, the Seller is a biopharmaceutical company focused on targeted immunity and the role of the innate immune system in treating bladder cancer and related diseases; and

WHEREAS, Purchaser desires to purchase, acquire and assume from the Seller, and the Seller desires to sell, transfer and assign to the Purchaser, the Proprietary Information (as defined below), subject to the terms and conditions in this Agreement; and proprietary information

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound hereby, the Parties hereto agree as follows:

1. Definitions

1.1. "Authorizations" means all franchises, grants, authorizations, licenses, permits, easements, consents, certificates and orders of any governmental authority or self-regulatory body required for the utilization of the Proprietary Information.

1.2. "Clinical Studies" means all studies, tests and preclinical and clinical trials conducted by or on behalf of Seller were and, if still pending, are, and in all material respects, being conducted in accordance with experimental protocols, procedures and controls pursuant to accepted professional scientific standards and all Laws and Authorizations.

1.3. "EMA" means the European Medicine Agency, a decentralized agency of the European Union and any successor agency having substantially the same functions.

1.4. "Escrow Agreement" means the share escrow agreement with respect to Escrow Shares to which said Seller is entitled at Initial Closing.

1.5. "Escrow Shares" means 54,000 (fifty four thousand) Preferred Shares constituting 25% (twenty five percent) of the Initial Closing Shares.

1.6. "FDA" means United States of America Food and Drug Administration and any successor agency having substantially the same functions.

1.7. “Goodwill” means any reference to the name “Vesimune” “TMX-{xxx}”, any service marks, trademarks, trade names, identifying symbols, logos, emblems, signs or insignia related thereto or containing or comprising the foregoing to their brand names and trademarks whether registered or not, including any name or mark confusingly similar thereto, and applications for trademarks and service marks, trade names, logos, trade dress and other proprietary indicia and all goodwill associated therewith.

1.8. “Initial Closing” means the consummation the transactions contemplated in Section 2.1 herein as contemplated by this Agreement.

1.9. “Initial Closing Date” shall have the meaning set forth in Section 3.1 below.

1.10. “Initial Closing Shares” means 216,000 (two hundred sixteen thousand) Preferred Shares.

1.11. “Intellectual Property” means (i) inventions (whether or not patentable), trade secrets, technical data, databases, customer lists, designs, tools, methods, processes, technology, ideas, know-how and other confidential or proprietary information and materials; (ii) trademarks and service marks (whether or not registered), applications for trademarks and service marks, trade names, logos, trade dress and other proprietary indicia and all goodwill associated therewith; (iii) documentation, advertising copy, marketing materials, specifications, mask works, drawings, graphics, databases, recordings and other works of authorship, whether or not protected by copyright; (iv) source code, object code, data and operating files, user manuals, documentation, flow charts, algorithms, compilers, development tools, maintenance records and other materials related to computer programs; (v) internet websites and domain names; and (vi) all forms of legal rights and protections that may be obtained for, or may pertain to, the Intellectual Property set forth in clauses (i) through (v) in any country of the world, including, without limitation, all issued patents, letters patent, patent applications, provisional patents, design patents, Patent Cooperation Treaty (PCT) filings and other rights to inventions or designs, all registered and unregistered copyrights in both published and unpublished works, trade secret rights, mask works, moral rights or other literary property or authors rights, rights regarding trademarks and other proprietary indicia, and all applications, registrations, issuances, divisions, continuations, renewals, reissuances and extensions of the foregoing.

1.12. “IPO” means an underwritten public offering of the securities of the Purchaser.

1.13. “IPO Shares” means that certain class of shares of the Purchaser offered pursuant to the IPO.

1.14. “Laws” means all laws, statutes, regulations, rules, ordinances or orders to which it is subject or which are applicable to the Proprietary Information.

1.15. “Licenses” means any exclusive or non-exclusive worldwide or territory limited license, including the right to grant sublicenses on terms set forth herein, to research, develop, import, offer for sale, market, commercialize, distribute and sell product incorporating the Intellectual Property.

1.16. “Liens” means any and all mortgages, claims, demands, liens, security interests, pledges, escrows, charges (whether fixed or floating), hypothecations, options, right of preemption, right of retention of title or any other form of security interest or any obligation (including any conditional obligation) to create any of the same, restrictions, or encumbrances of any kind whatsoever.

1.17. “Milestone Closing” or “Milestone Closings” means the 1st Milestone Closing, the 2nd Milestone Closing and the 3rd Milestone Closing, as applicable.

1.18. “Milestone Shares” means the 1st Milestone Shares, the 2nd Milestone Shares and the 3rd Milestone Shares, as applicable.

1.19. “Regulatory Agency” means FDA, EMA and any similar, corresponding or successor regulatory authority if the context so indicates.

1.20. “Preferred Shares” means Preferred A Shares of the Purchaser par value NIS 0.01 each.

1.21. “Product” means Seller’s proprietary Vesimune (TMX-101) product for the local treatment of various forms of bladder cancer as monotherapy only.

1.22. “Proprietary Information” means any and all owned knowledge or data of the Seller, whether registered or not, including but not limited to, the Intellectual Property, Goodwill, Clinical Studies and Licenses.

1.23. “Third Party Rights” means any loans, options and third party rights, claims, restrictions or interests of any kind, contractual or otherwise.

1.24. “Transaction Shares” means the Initial Closing Shares, 1st Milestone Shares, 2nd Milestone Shares and 3rd Milestone Shares.

1.25. “1st Milestone Closing” means the enrolment of the 1st (first) patient to a Phase III Clinical Study or study intended to provide evidence for FDA drug marketing approval for the Product (protocol TMX-101-004 presented by Seller to the FDA).

1.26. “1st Milestone Shares” means 29,000 (twenty nine thousand) Preferred Shares or IPO Shares, as the case may be.

1.27. “2nd Milestone Closing” means receipt of a FDA drug marketing approval for the Product.

1.28. “2nd Milestone Shares” means 29,000 (twenty nine thousand) Preferred Shares or IPO Shares, as the case may be.

1.29. “3rd Milestone Closing” means the end of Purchaser’s financial reporting period when sales of the Product as monotherapy only shall generate “*net sales*” of US$50,000,000 (fifty million U.S. Dollars) in the aggregate. For the purpose of the 3rd Milestone Closing “*net sales*” shall mean the total amount actually received by the Purchaser in connection with sales of the Product, in a bona fide at arm’s length transactions, after deduction of all of the following to the extent applicable to such sales: (a) all trade, cash and quantity credits, discounts, refunds or rebates; (b) allowances or credits for returns; (c) actual and recorded sales commissions; and (d) sales taxes (including value added tax),

1.30. “3rd Milestone Shares” means 29,000 (twenty nine thousand) Preferred Shares or IPO Shares, as the case may be.

2. The Transaction

2.1. Proprietary Information Being Purchased; Closing. At the Initial Closing, the Seller shall sell to the Purchaser, and the Purchaser shall purchase from the Seller, the Proprietary Information by selling to the Purchaser all of Seller's right, title and interest, in the Proprietary Information, "as is" and free and clear of any Liens and Third Party Rights.

2.2. Consideration at the Initial Closing. Subject to the terms and conditions hereof, at the Initial Closing in consideration to the Proprietary Information the Purchaser shall issue, allot and deliver to Seller, and Seller shall purchase and receive from the Purchaser, the Initial Closing Shares.

2.3. Issue and Purchase of Shares at the Milestone Closings. Subject to the terms and conditions herein below, at the First Milestone Closing (as defined below), Second Milestone Closing (as defined below) and Third Milestone Closing (as defined below) the Purchaser shall issue and allot to Seller, and Seller shall receive from the Purchaser, as additional consideration for the Proprietary Information, the 1st Milestone Shares, 2nd Milestone Shares and 3rd Milestone Shares, respectively.

3. Closing, Delivery and Transfer of Proprietary Information.

3.1. Initial Closing. The Initial Closing to be held as described in Section 3.2 below remotely via the exchange of documents and signatures, within three (3) business days following satisfaction (or waiver by the relevant party) of the conditions set forth in Sections 3.3 below, at 11:00 a.m., local time, or at such other time or place as the Purchaser and the Seller shall mutually agree upon. Notwithstanding the foregoing, if the Initial Closing does not take place within fifteen (15) days following the execution hereof, this Agreement shall terminate and shall be of no force and effect, unless otherwise agreed between the Purchaser and the Seller.

3.2. Deliveries and Transactions at the Initial Closing. At the Initial Closing, the following transactions shall occur, which transactions shall be deemed to take place simultaneously and no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered:

3.2.1. The Seller shall deliver to the Purchaser the following documents or cause the following actions to be completed:

(i) Board Resolutions. Duly executed resolution of the board of directors of Seller, substantially in the form attached as Schedule 3.2.1(i) hereto;

(ii) Shareholders Resolutions. Duly executed resolutions of the shareholders of the Seller, substantially in the form attached as Schedule 3.2.1(ii) hereto, pursuant to which the Seller's shareholder shall have approved all transactions contemplated hereby and taken all corporate actions related to such transactions;

(iii) Shares Escrow. Duly executed Escrow Agreement;

(iv) "Market Stand-off" Undertaking. Duly executed "Market Standoff" Undertaking, attached hereto as Exhibit A, or any other lock-up agreement/undertaking requested by underwriters in its stead; and

(v) Proprietary Information Assignment. Seller shall deliver to Purchaser dully executed assignment and transfer deeds, as the case may be, necessary to effect the transfer of the Proprietary Information to the Purchaser, substantially in the form attached as Schedule 3.2.1(iv) hereto ("Deeds"),

3.2.2. The Purchaser shall deliver to the Seller the following documents or cause the following actions to be completed:

(i) Board Resolutions. Duly executed resolutions of the board of directors of the Purchaser, substantially in the form attached as Schedule 3.2.2(i) hereto;

(ii) Share Certificates. Validly executed share certificates, dated as of the Initial Closing date, covering the Initial Closing Shares issued to Seller as of the Initial Closing; and

(iii) Shareholder Register. A copy, duly certified by an officer of the Purchaser dated as of the Initial Closing date, of the Purchaser's shareholders register, reflecting the registration by the Purchaser of the issue of the Initial Closing Shares to the Seller.

3.3. Conditions of the Purchaser to Initial Closing. The obligations of the Purchaser to purchase the Proprietary Information and to issue the Initial Closing Shares, are subject to the fulfillment at or before such Initial Closing of the following conditions precedent (to the extent indicated below), any one or more of which may be waived in whole or in part by the Purchaser:

3.3.1. Representations and Warranties. The representations and warranties made by the Seller in this Agreement shall have been true and correct as if made on the Initial Closing date.

3.3.2. Consents, etc. The Seller shall have secured all permits, consents and authorizations that shall be necessary or required lawfully to consummate this Agreement and to transfer the Proprietary Information to the Purchaser at the Initial Closing.

3.3.3. Escrow Agreement. The Seller shall have delivered to the Purchaser a duly executed copies of the Escrow agreement.

3.3.4. "Market Stand-off" Undertaking. The Seller shall have delivered to the Purchaser a duly executed copy of the "Market Stand-off" Undertaking, Exhibit A.

3.3.5. Deeds. The Seller shall have delivered to the Purchaser dully executed Deeds.

3.4. Milestone Closing: Transactions at Milestone Closings.

3.4.1. The closings of the transactions contemplated in Section 2.3 above will take place at closings to be held remotely via the exchange of documents and signatures within thirty (30) business days following the occurrence of any of the Milestone Closings.

3.4.2. At each Milestone Closing, the following transactions shall occur, which transactions shall be deemed to take place simultaneously and no transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered:

3.4.2.1. Validly executed share certificates dated as of the respective Milestone Closing date covering the respective Milestone Closing Shares; and

3.4.2.2. A copy, duly certified by an officer of the Purchaser dated as of the Milestone Closing date, of the Purchaser's shareholders register, reflecting the registration by the Purchaser of the issue of the respective Milestone Closing Shares.

3.4.2.3. Seller, or the liquidator of the Seller, shall advise Purchaser in writing to whom to distribute the Milestone Shares.

3 .4.2.4. All Milestone Shares issued shall, to the extent upon their issuance Purchaser is listed on a stock exchange and subject to underwriters' standard lock-up requirement, be automatically registered by the Purchaser.

4. Representations and Warranties of Seller. The Seller hereby represents and warrants to the Purchaser that, except as set forth on the Schedule of Exceptions attached as Schedule 4 to this Agreement, which exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete on the date hereof and as of the date of the Initial Closing, except as otherwise specifically indicated. The Schedule of Exceptions shall be arranged in sections corresponding to the numbered and lettered sections and subsections contained in this Section 4, and the disclosures in any section or subsection of the Schedule of Exceptions shall not qualify other sections and subsections in this Section 4.

4.1. Requisite Power and Authority. The Seller has all requisite corporate power and authority to execute and deliver this Agreement, to consummate the transactions and perform its obligations contemplated hereby and thereby, and to carry out the provisions of this Agreement. Upon its execution and delivery, this Agreement to which it is a party will be valid and binding obligations of the Seller, enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

4.2. Authorization; Binding Obligations. All corporate action on the part of each of Seller, its officers, directors and shareholders necessary for the authorization of the transfer of the Proprietary Information and the performance of all obligations of Seller hereunder and thereunder at the Initial Closing has been taken. This Agreement has been duly executed and delivered by Seller and constitute valid and binding obligations of Seller enforceable in accordance with their respective terms.

4.3. Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any governmental authority is required on the part of Seller in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement.

4.4. No Conflicts. The execution and delivery of this Agreement, and the consummation by Seller of the transactions contemplated hereby and thereby do not, and will not result in a violation of any Laws or Authorizations to which Seller is subject.

4.5. Proprietary Information. Seller is the sole owner, or is exclusively licensed to use, free and clear of any Liens or Third Party Rights, all Proprietary Information used in or necessary for the conduct of its business as so far conducted. There are no claims or demands pending by any other person pertaining to any of such Proprietary Information nor is there a claim or demand threatened, and no proceedings have been instituted or threatened which challenge the rights of Seller with respect to such Proprietary Information and Seller there is no basis for such claim.

4.6. Intellectual Property.

4.6.1. Schedule 4.6.1(i) lists all Intellectual Property currently owned or licensed to use by Seller. With respect to Intellectual Property that is owned by Seller, all such Intellectual Property is owned free and clear of Liens or Third Party Rights. Seller does not own any patents, patent applications, trademarks, trademark applications, trademark registrations, service marks, service work applications, service mark registrations, or registered copyrights related to the Intellectual Property not included in this Agreement. Seller does not owe by way of royalties, fees or otherwise to any owner or licensor of, or other claimant to, any item of Intellectual Property.

4.6.2. Other than for “off the shelf” products used by Seller in its day to day operations, there are no licenses or other agreements or shared ownership interests of any kind, under which Seller is or may be, granted rights in Intellectual Property of any third person.

4.6.3. There are no licenses or other agreements or shared ownership interests of any kind, under which Seller has granted rights to others in its Intellectual Property.

4.6.4. Seller has taken all commercially reasonable measures required to establish and preserve ownership of all Intellectual Property developed by, or on behalf of, Seller, including the maintenance and renewal of all registered Intellectual Property. Seller has required all current and former employees and inventors and all consultants and independent contractors having, or who have had, access to, or who were involved in the development of, any of the Intellectual Property owned, licensed to, or developed by Seller, to execute enforceable agreements that provide valid written assignment of all right, title and interest in and to inventions and other Intellectual Property resulting from their employment or services, and all such persons are in compliance with such agreements. Any and all Intellectual Property of any kind which has been developed or is currently being developed by any employee or service provider of Seller in the course of their employment or engagement by Seller shall be the sole and exclusive property of Seller. No third party has infringed, misappropriated, or otherwise violated or conflicted with any of Seller’s Intellectual Property. Seller does not use any inventions of any of its employees or consultants (or persons it intends to hire) made prior to their engagement by Seller. All current and former employees and all consultants and independent contractors hired by Seiler have agreed to maintain the confidentiality of all confidential and proprietary information of Seller and of any information of third parties received by Seller under an obligation of confidentiality.

4.6.5. The conduct of the business of Seller, as conducted so far, including Seller’ products or services developed, produced or supplied by Seller and its Intellectual Property does not infringe misappropriate, or otherwise violate or conflict with any of the Intellectual Property of any third party. No proceeding charging Seller with infringement of any Intellectual Property of any third person has been filed or is threatened to be filed.

4.6.6. Seller is not making unauthorized use of any confidential information or trade secrets or other Intellectual Property of any person, including without limitation any former employer of any past or present employee or consultant of Seller. Neither Seller nor any employee or consultant of Seller is obligated under any duty or agreement (including any license, confidentiality agreement, covenant or commitment of any nature), or subject to any judgment, decree or order of any court or authorized administrative agency, that would interfere in any manner with the use of their best efforts to promote the interests of Seller or that would conflict with Seller' business as conducted so far. Each former and current employee, officer, consultant and independent contractor of Seller has executed a proprietary information and assignment of inventions undertaking towards Seller, pertaining to all right, title and interest in and to all Intellectual Property resulting from his/her/its employment with or services to Seller. No employee, officer, consultant or independent contractor is in violation of any proprietary information or assignment of inventions agreement, or in any such similar agreement, with any former employer or contractor, and the conduct of Seller' business as conducted so far will not conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, such agreements.

4.6.7. The Intellectual Property (i) is and at all times has been in material compliance with the Laws; (ii) is in compliance in all material respects with all the Authorizations, and Seller has not received any notice (a) of adverse finding, untitled letter or other correspondence or notice from any governmental authority alleging or asserting noncompliance with any Laws or Authorizations with respect to the Intellectual Property, including any warning letter from a Regulatory Agency containing any unresolved issues concerning noncompliance with any Laws or Authorizations, (b) of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any governmental authority or third party alleging that the Intellectual Property is in violation of any Laws or Authorizations, and no such governmental authority or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding; and (c) that any governmental authority has taken, is taking, or intends to take action to limit, suspend, modify or revoke any Authorizations with respect to the Intellectual Property and it has no knowledge that such governmental authority is considering such action.

4.7. Clinical Studies. All Clinical Studies were and, if still pending, are in all material respects, being conducted in accordance with experimental protocols, procedures and controls pursuant to accepted professional scientific standards and all Laws and Authorizations. Schedule 4.7 sets forth a detailed description of the Clinical Studies conducted by Seller prior to the execution hereof. The descriptions of the results of such studies, tests and trials contained in Schedule 4.7 are accurate and complete in all material respects and fairly present the data derived from such studies, tests and trials; Seller is not aware of any studies, tests or trials the results of which call into question the Clinical Studies set forth in Schedule 4.7 when viewed in the context in which such results are described and the clinical state of development; and Seller has not received any notices or correspondence from any Regulatory Agency or any other governmental authority requiring the termination, suspension or material modification of any Clinical Studies conducted by or on behalf of Seller.

4.8. Disclosure. The representations and warranties made or contained in this Agreement, the schedules and exhibits hereto, and the certificates and statements executed or delivered in connection herewith, when taken together, do not contain any untrue statement of a material fact and do not omit to state a material fact required to be stated therein or necessary in order to make such representations, warranties, or other material not misleading in light of

the circumstances in which they were made or delivered. There is no material fact or information individually or in the aggregate relating to the Proprietary Information, existing as of the date hereof, that has not been expressly disclosed to Purchaser by Seller and which: (i) is reasonably necessary to enable Purchaser to decide to enter into the transactions contemplated in this Agreement; or (ii) have or could reasonably be expected to have a material adverse effect on the Proprietary Information. The Purchaser have the right to rely fully upon the representations, warranties, covenants and agreements of Seller contained in this Agreement (including, inter alia, any Schedule or Exhibit hereto) or in any certificate made or delivered in connection herewith.

5. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Purchaser that as of the Initial Closing date:

5.1. Requisite Power and Authority. The Purchaser has all requisite corporate power and authority to execute and deliver this Agreement, to consummate the transactions and perform its obligations contemplated hereby and thereby, and to carry out the provisions of this Agreement. Upon its execution and delivery, this Agreement to which it is a party will be valid and binding obligations of the Purchaser, enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

5.2. Authorization: Binding Obligations. All corporate action on the part of each of Purchaser, its officers, directors and shareholders necessary for the performance of all obligations of Purchaser hereunder and thereunder at the Initial Closing has been taken. This Agreement has been duly executed and delivered by Purchaser and constitute valid and binding obligations of Purchaser enforceable in accordance with their respective terms.

5.3. Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any governmental authority is required on the part of Purchaser in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement.

5.4. Transaction Shares. At the Initial Closing the Transaction Shares shall be duly issued and the Purchaser shall have the right and capacity to tissue and deliver them, free and clear of any Lien or Third Party Rights.

5.5. Seller Representations. Without derogating from any representations, warranties or covenants of the Seller hereinabove, Purchaser, in making its decision to purchase the Proprietary Information, has neither conducted independent due diligence inquiries nor ask questions of, and receive answers from, Seller and its representatives concerning the Proprietary Information sufficient to enable it to evaluate the transaction contemplated under the Agreement, and that it is relying solely upon any examination or inquiry performed by the Seller. Nothing set forth in this Section 5 shall be deemed to detract from or otherwise prejudice Purchaser's reliance on the Seller' representations and warranties set forth in this Agreement. Further, neither any inquiries nor any other investigation conducted by or on behalf of Purchaser or its representatives or counsel, if any, shall modify, amend or affect Purchaser's right to rely on the truth, accuracy and completeness of the Seller' representations and warranties contained in this Agreement.

6. Liability and Escrow

6.1. The representations, warranties, covenants and agreements made in this Agreement, or any other agreement, certificate, document or instrument furnished pursuant hereto shall survive any investigation made by Purchaser and shall be true and accurate as of the Initial Closing.

6.2. Seller shall reimburse Purchaser for any and all damages, liabilities, losses, costs and expenses (including attorneys' fees and expenses), whether or not arising out of third-party claims, based upon, or arising out of, or relating to the Intellectual Property.

6.3. Seller's liability under this Agreement, or any other agreement, certificate, document or instrument furnished pursuant hereto shall be limited to claims raised by Purchaser within the earlier of (a) 12 (twelve) months as of Initial Closing Date and (b) the consummation of the IPO. Any claim not raised within such date shall be time barred and there shall be no liability of Sellers under any title thereafter.

6.4. Seller's liability under this Agreement, or any other agreement, certificate, document or instrument furnished pursuant hereto shall be payable in Escrow Shares only, and shall be limited to an aggregate amount of the Escrow Shares.

6.5. To fully secure Seller's undertaking under Section 6.2 above, Seller undertakes that the Escrow Shares shall be subject to the terms and provisions of the Escrow Agreement. The Escrow Shares shall be automatically released to Seller on the earlier of (a) 12 (twelve) months after the Initial Closing Date, and (b) the consummation of the IPO, unless Purchaser has validly raised a claim before.

7. Confidentiality. Seller and any person acting on its behalf shall, and shall procure that Seller shall, keep the existence of this Agreement and its terms, as well as the representation and warranties included herein in strict confidence, and shall not disclose or issue any public statement or press release concerning this transaction without the prior written approval of Purchaser of the substance and form of any such statement or release, except as, and only to the extent required, (a) to exercise any of its rights or fulfill any of its obligations under the Agreement, (b) to their attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with making or monitoring the contemplated transaction herein, provided such professionals are obligated to the Seller to keep any such information confidential pursuant to a written agreement or by nature, or (c) as may be required under applicable law.

8. Miscellaneous

8.1. Governing Law. This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of Israel, without giving effect to principles of conflicts of law or choice of law that would cause the substantive laws of any other jurisdiction to apply.

8.2. Arbitration. Any dispute, controversy or claim arising in relation to this Agreement, including with regard to its validity, invalidity, breach, enforcement or termination, will be referred to a single arbitrator, who shall be appointed by the Parties and if they are unable to agree on the identity of an arbitrator within 30 (thirty) days of the first written request of a party, the arbitrator shall be appointed by the Head of the Israeli Bar Association. Arbitration proceedings shall take place in Tel Aviv, Israel and shall be conducted according

to the substantive law. The arbitrator will not be bound by rules of evidence or procedure and will give the reasons for his judgment. The arbitrator's decision shall be final and enforceable in any court. This paragraph shall constitute an arbitration agreement between the parties.

8.3. Amendment and Waiver. Any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of Purchaser and the Seller. Any amendment or waiver effected in accordance with this Section 8.3 shall be binding upon Purchaser and the Seller, and their respective successors and assigns.

8.4. Entire Agreement. This Agreement, the exhibits and schedules hereto, the certificates and the other documents delivered pursuant hereto constitute the entire agreement among the parties relative to the specific subject matter hereof and thereof.

8.5. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by facsimile with confirmation of transmission if sent during normal business hours of the recipient, if not, then on the next business day; or (iii) 5 (five) days after having been sent by registered or certified mail, return receipt requested, postage prepaid. All communications shall be sent to Purchaser and Seller at the respective address or facsimile number set forth below or at such other address as Purchaser, or the Seller, may designate by 10 (ten) days' advance written notice to the other Party.

If to Purchaser:
Address: TheraCoat Ltd.
9 Ha' Taasiya St.
P.O. Box 2397
Ra'anana 4365007
Israel
Attn: Ron Bentsur, CEO
Fax: +972-77-4171410
E-mail: ron.bentsur@theracoat.com

with a copy to: Yaron Sobol, Adv.
Hamburger Evron & Co.
The Museum Tower
4 Berkowitz St.
Tel Aviv 6423806
Israel
Fax: +972-3-6074004
Email: yaron.sobol@evronlaw.com

If to Seller:
Address: Telormedix SA
Via della Posta 10
H-6934 Bioggio
Switzerland
Attn: Jean-Philippe Tripet
Fax: +41-91-610-7031
E-mail: jean-philippe@aravis.ch

with a copy to: Marco A. Rizzi, Attorney at Law
FRORIEP
Bellerivestrasse 201
P.O. Box 385
8034 Zurich
Switzerland
Fax: +41-44-3836050
E-mail: mrizzi@froriep.ch

8.6. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision was so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

8.7. Expenses. Each party shall pay all costs and expenses that it incurs with respect to the negotiation, due diligence investigation, execution, delivery and performance of the Agreement.

8.8. Broker's Fees. Each party represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein.

8.9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each counterpart signed by a Party and delivered by or PDF (Portable Document Format) transmission via electronic mail or facsimile transmission shall have the same force and effect as the delivery of original signatures shall be binding as evidence of such Party's agreement hereto and acceptance hereof, and signatures obtained in this manner shall be considered original.

8.10. Successors and Assigns. Except as otherwise limited herein, this Agreement and the provisions hereof shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns. None of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred without the prior consent in writing of Purchaser and the Seller, except that Purchaser may freely assign this Agreement to a successor in interest.

8.11. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

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Asset Purchase Agreement - Signature Page

IN WITNESS WHEREOF, the parties hereto have executed this Share Purchase Agreement as of the date set forth in the first paragraph hereof.

PURCHASER	SELLER
TheraCoat Ltd.	Telormedix SA
By: /s/ Ron Bentsur	By: /s/ Jean-Philippe Tripet
Title: CEO	Title: Director
By:	By:
Title:	Title:

Exhibit A

"Market Stand-off" Undertaking

Telormedix SA ("TMX") hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to an underwritten public offering ("IPO") of the securities of TheraCoat Ltd. ("Company") and ending on the date specified by the Company and the managing underwriter (such period not to exceed 180 days, which period may be extended upon the request of the managing underwriter, to the extent required by any NASD or FINRA rules, for an additional period of up to 20 days if the Company issues or proposes to issue an earnings or other public release within 20 days of the expiration of the 180-day lockup period), (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Ordinary Shares held immediately prior to the effectiveness of the registration statement for the IPO, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) of this undertaking is to be settled by delivery of Ordinary Shares or other securities, in cash, or otherwise. The foregoing provisions of this undertaking shall apply only to the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to TMX if all officers, directors and holders of more than one percent of the outstanding Ordinary Shares are subject to similar agreements. The underwriters in connection with the IPO are intended third-party beneficiaries of this undertaking and shall have the right, power, and authority to enforce the provisions hereof as though they were a party hereto. TMX further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with the IPO that are consistent with this undertaking or that are necessary to give further effect thereto.

To the extent TMX shall assign and transfer its securities to its shareholders, such transfer shall be contingent upon each such assignee and transferee execution of similar undertaking.

IN WITNESS WHEREOF, the parties hereto have executed this Share Purchase Agreement as of the date set forth in the first paragraph hereof.

Telormedix SA

By: /s/ Jean-Philippe Tripet

Title: Director

By: _____

Title: _____

Exhibit 10.5

[*] = 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.

LICENSE AGREEMENT

between

UroGen Pharma, Ltd.

and

Allergan Pharmaceuticals International Limited

Dated as of October 7, 2016

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LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made and entered into as of October 7, 2016 (the "**Effective Date**") by and between UroGen Pharma Ltd., a corporation organized under the laws of Israel ("**UroGen**") and Allergan Pharmaceuticals International Limited, a corporation organized under the laws of Ireland ("**Allergan**"). UroGen and Allergan are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, UroGen owns and controls certain intellectual property rights with respect to the RTGel Product and Licensed Products (each as defined herein) in the Territory (as defined herein); and

WHEREAS, UroGen wishes to grant to Allergan, and Allergan wishes to take, an exclusive license under such intellectual property rights to develop, commercialize and otherwise exploit Licensed Products (as defined herein) in the Field in the Territory, in each case in accordance with the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 "**Additional Amounts**" has the meaning set forth in Section 6.7.3.

1.2 "**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means: (a) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance or otherwise; or (b) the ownership, directly or indirectly, of 50% or more of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

1.3 "Agreement" has the meaning set forth in the preamble hereto.

1.4 "Agreement Intellectual Property" means: (a) Agreement Know-How, and (b) Agreement Patents.

[*] = 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.

1.5 "**Agreement Know-How**" means Information and other Inventions that are conceived, discovered, developed or otherwise made (a) solely by a Party's own employees, agents, consultants, or independent contractors (including any partner, joint venturer, licensee, sublicensee or similar arrangement) or (b) by a Party's own employees, agents, consultants, or independent contractors jointly with employees, agents, consultants, or independent contractors of the other Party, in each case of clause (a) and (b) of this Section 1.5, in the course of conducting a Party's activities under this Agreement (including Information and other Inventions related to the Development, Manufacture or Commercialization of Licensed Products) and whether or not patented or patentable.

1.6 "**Agreement Patents**" any and all Patents that Cover Agreement Know-How to the extent that such Patents do not contain claims Covering Information and other Inventions developed prior to the Effective Date.

1.7 "**Allergan**" has the meaning set forth in the preamble hereto.

1.8 "**Allergan Indemnitees**" has the meaning set forth in Section 10.1.2.

1.9 "**Allergan RTGel Improvements**" has the meaning set forth in Section 2.6.3.

1.10 "**Alliance Manager**" has the meaning set forth in Section 2.8.2.

1.11 "**Applicable Law**" means any national, international, supra-national, federal, state or local laws, treaties, statutes, ordinances, rulings, rules and regulations, including any rules, regulations, guidance or guidelines, or requirements of any Regulatory Authorities, national securities exchanges or securities listing organizations, Governmental Authorities, courts, tribunals, agencies other than Regulatory Authorities, legislative bodies and commissions that are in effect from time to time during the Term and applicable to a particular activity hereunder.

1.12 "**Arbitration Notice**" has the meaning set forth in Section 12.5.1.

1.13 "Arbitrators" has the meaning set forth in Section 12.5.2.

1.14 "**Auditor**" has the meaning set forth in Section 6.9.2.

1.15 "**BLA**" means (i) in the United States, a Biologics License Application, as defined in the PHSA and applicable regulations promulgated thereunder by the FDA, or any equivalent application that replaces such application, (ii) in the European Union, a marketing authorization application, as defined in applicable regulations of the EMA, and (iii) in any other country, the relevant equivalent to the foregoing.

1.16 "**Biosimilar Notice**" means a copy of any application submitted by a Third Party to the FDA under 42 U.S.C. § 262(k) of the United States Public Health Service Act, as amended, and the rules and regulations promulgated thereunder (or, in the case of a country of the Territory outside the United States, any similar law) for Regulatory Approval of a biological product, which application identifies a Licensed Product as the reference product with respect to

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such product, and other information that describes the process or processes used to manufacture the biological product.

1.17 "**Breach Notice**" has the meaning set forth in Section 6.3.3.

1.18 "**Business Day**" means a day other than a Saturday or Sunday or a day on which banking institutions in Tel Aviv, Israel, or New York, New York, United States are permitted or required to be closed.

1.19 "**Calendar Quarter**" means each successive period of three (3) calendar months commencing on January 1, April 1, July 1 and October 1, except that the first Calendar Quarter of the Term shall commence on the Effective Date and end on the day immediately prior to the first to occur of January 1, April 1, July 1 or October 1 after the Effective Date and the last Calendar Quarter shall end on the last day of the Term.

1.20 "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31, except that the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the year in which the Effective Date occurs and the last Calendar Year of the Term shall commence on January 1 of the year in which the Term ends and end on the last day of the Term.

1.21 "**Clinical Trial**" means a clinical trial in human subjects that has been approved or not prohibited by a Regulatory Authority and an institutional review board or ethics committee, and is designed to measure the safety or efficacy of a Licensed Product.

1.22 "**CofA**" has the meaning set forth in Section 5.1.1.

1.23 "**Combination Product**" means a pharmaceutical product consisting of a Licensed Product described in clause (a) of Section 1.70 that is combined with one or more other products or active ingredients, whether such pharmaceutical product is sold in a fixed-dose combination or the components thereof are sold together as part of a bundle, package, or kit, in each case for one single price; *provided* that in no event shall a Combination Product include a pharmaceutically active ingredient that is neither a Toxin nor a Permitted Active Ingredient; *provided*, *further*, that a Combination Product must contain at least one (1) Toxin in a therapeutically relevant dose.

1.24 "**Commercialization**" means any and all activities directed to the preparation for sale of, offering for sale of or sale of a product, including activities related to marketing, promoting, distributing and importing such product, and interacting with Regulatory Authorities regarding any of the foregoing. When used as a verb, "to Commercialize" and "Commercializing" mean to engage in Commercialization and "Commercialized" has a corresponding meaning.

1.25 "**Commercialization Plan**" has the meaning set forth in Section 4.3.

1.26 "**Commercially Reasonable Efforts**" means, with respect to the conduct by Allergan of Development, Commercialization or Manufacturing activities with respect to a

Licensed Product, the carrying out of such activities using reasonable and diligent efforts and resources that [*] would typically devote to products of similar market potential at a similar stage in development or product life, considering conditions then prevailing and taking into account issues of safety and efficacy, expected and actual cost and time to develop, expected and actual profitability, expected and actual competitiveness of alternative third party products in the marketplace, the nature and extent of expected and actual market exclusivity (including patent coverage and regulatory exclusivity), the expected and actual reimbursability and pricing, the expected and actual amounts of marketing and promotional expenditures required, product profile (including the expected and actual labeling), anticipated timing of commercial entry, the regulatory environment and status of the product (including the likelihood of regulatory approval), and all other relevant scientific, technical and commercial factors.

1.27 "**Competing Product**" means, with respect to a particular Licensed Product, a pharmaceutical product commercialized by a Third Party that [*], whether or not [*] and whether such product [*] or [*]; *provided* that, notwithstanding anything in this Section 1.27, in no event shall a product be deemed a Competing Product if [*], or [*], or [*].

1.28 "**Competitive Infringement"** has the meaning set forth in Section 7.4.1.

1.29 "**Confidential Information**" has the meaning set forth in Section 8.1.

1.30 "**Control**" or "**Controlled**" means, with respect to any item of Information, Regulatory Documentation, material, Patent or other intellectual property right, possession of the right, whether directly or indirectly and whether by ownership, license or otherwise (other than by operation of the license and other grants in Section 2.1), to grant a license, sublicense or other right (including the right to reference Regulatory Documentation) to or under such Information, Regulatory Documentation, material, Patent or other intellectual property right as provided for herein without violating the terms of any agreement with any Third Party.

1.31 "**Cover**" means, with respect to any Patent and any composition or substance, that the manufacture, use or sale of such composition or substance would, absent a license to such Patent, infringe a Valid Claim of such Patent.

1.32 "**Development**" means all activities undertaken with respect to any product related to research, pre-clinical and other non-clinical testing, test method development and stability testing, toxicology, formulation, process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, clinical studies, including manufacturing in support thereof, statistical analysis and report writing, the preparation and submission of Drug Approval Applications or BLAs, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval. When used as a verb, "Develop" means to engage in Development.

1.33 "**Development Plan**" has the meaning set forth in Section 3.1.1(b).

1.34 "**Dispute**" has the meaning set forth in Section 12.5.1.

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1.35 "**Distributor**" means any Person appointed by Allergan or any of its Affiliates or its or their Sublicensees to distribute, market and sell Licensed Product(s), with or without packaging rights, in one or more countries in the Territory, in circumstances where such Person purchases its requirements of Licensed Product(s) from Allergan or its Affiliates or its or their Sublicensees but does not have any detailing rights or rights to negotiate government pricing and does not otherwise make any royalty or other payments to Allergan or its Affiliates or its or their Sublicensees with respect to its intellectual property rights with respect to such Licensed Product(s).

1.36 "**Dollars**" or "**$**" means United States Dollars.

1.37 "**Drug Approval Application**" means (a) a New Drug Application as defined in the FFDCA or any corresponding foreign application in the Territory, including, with respect to the European Union, a marketing authorization application filed with the EMA pursuant to the centralized approval procedure or with the applicable Regulatory Authority of a country in Europe with respect to the mutual recognition or any other national approval, and (b) all supplements and amendments that may be filed with respect to the foregoing.

1.38 "**Effective Date**" has the meaning set forth in the introduction to this Agreement.

1.39 "**EMA**" means the European Medicines Agency and any successor agency thereto.

1.40 "**EU5 Country**" means any and each of Italy, Germany, France, the United Kingdom and Spain, collectively the "**EU5 Countries**".

1.41 "**European Union**" means (i) the economic, scientific and political organization of member states as it may be constituted from time to time, which as of the Effective Date consists of Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland and that certain portion of Cyprus included in such organization, (ii) any member country of the European Economic Area that is not otherwise a member of the European Union, and (iii) any country not otherwise included in clauses (i) or (ii) that participates in the unified filing system under the auspices of the EMA. For clarity, European Union shall at all times be deemed to include each of the EU5 Countries.

1.42 "**Existing Agreements**" has the meaning set forth in Section 9.2.7.

1.43 "**Existing Patents**" has the meaning set forth in Section 9.2.1.

1.44 "**Existing Regulatory Documentation**" means the Regulatory Documentation Controlled by UroGen or any of its Affiliates as of the Effective Date.

1.45 "**Exploit**" means to make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register (including, for the avoidance of doubt, the submission of materials and information to any Regulatory Authority to support an application to

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conduct clinical trials or for Regulatory Approval), Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export, transport, distribute, promote, market or have sold or otherwise dispose of a product. "**Exploitation**" means the act of Exploiting a compound or product.

1.46 "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.47 "**FFDCA**" means the United States Federal Food, Drug, and Cosmetic Act, as amended, together with any rules, regulations or requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.48 "**Field**" means all uses of a Licensed Product for the diagnosis, prevention, treatment or amelioration of any and all indications or the signs or symptoms thereof.

1.49 "**First Commercial Sale**" means, with respect to a Licensed Product and a country, the first sale for monetary value for use or consumption by the end user of such Licensed Product in such country after Regulatory Approval for such Licensed Product has been obtained in such country. Sales prior to receipt of Regulatory Approval for such Licensed Product in such country, such as so-called "treatment IND sales," "named patient sales," and "compassionate use sales," shall not be construed as a First Commercial Sale.

1.50 "**First Indication**" means the treatment, prevention or amelioration of the condition of overactive bladder.

1.51 "**Force Majeure Event**" has the meaning set forth in Section 12.1.

1.52 "**GAAP**" means United States generally accepted accounting principles, International Financial Reporting Standards or such other similar national standards as Allergan, its Affiliate or its or their Sublicensee adopts, in each case, consistently applied.

1.53 "**Governmental Authority**" means any federal, state, national, international, provincial or local government, or political subdivision thereof, or any multinational organization or any authority, agency or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or tax authority or power, any court or tribunal (or any department, bureau or division thereof, or any governmental arbitrator or arbitral body).

1.54 "**Hatch-Waxman Act**" means the U.S. "Drug Price Competition and Patent Term Restoration Act" of 1984, as set forth at 21 U.S.C. §355(b)(2)(A)(iv) or (j)(2)(A)(vii)(IV).

1.55 "**IND**" means (a) an investigational new drug application filed with the FDA for authorization to commence clinical studies or any corresponding foreign application in the Territory and (b) all supplements and amendments that may be filed with respect to the foregoing.

1.56 "**Indemnification Claim Notice**" has the meaning set forth in Section 10.2.1.

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1.57 "**Indemnified Party**" has the meaning set forth in Section 10.2.1.

1.58 "**Indemnifying Party**" means the Party from which indemnification is sought pursuant to Section 10.1.

1.59 "**Indication**" means a separately defined, well-categorized class of human disease or condition for which a separate Drug Approval Application (including any extensions or supplements) may be filed with a Regulatory Authority.

1.60 "**Information**" means all technical, scientific and other know-how and information, trade secrets, knowledge, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, data, results and other material, including: biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and information, including study designs and protocols, assays and biological methodology, in each case (whether or not confidential, proprietary, patented or patentable) in written, electronic or any other form now known or hereafter developed.

1.61 "**Infringing Product**" has the meaning set forth in Section 7.4.1.

1.62 "**Initial Supply**" has the meaning set forth in Section 5.1.1.

1.63 "**Initial Supply Terms**" has the meaning set forth in Section 5.1.1.

1.64 "**Initial Disclosure**" has the meaning set forth in Section 2.5.1.

1.65 "**Initiation**" means, with respect to a Clinical Trial, the enrollment of the first research subject in such Clinical Trial.

1.66 "**Invention**" means any invention, whether or not patentable, together with all intellectual property rights therein.

1.67 "**Joint Invention**" has the meaning set forth in Section 7.1.3.

1.68 "**Joint Patent**" has the meaning set forth in Section 7.1.3.

1.69 "**Licensed Marks**" means the Trademarks and logos identified on Schedule 1.69 and such other Trademarks as mutually and reasonably agreed to in advance in writing by the Parties during the Term.

1.70 "**Licensed Product**" means any (a) pharmaceutical product that is comprised of or contains both (i) an RTGel Product and (ii) one or more Toxins, but no other pharmaceutically active ingredient or (b) Combination Product, in each case whether such product is sold in a fixed-dose combination or the components thereof are sold together, as part of a bundle, package or kit, in any and all forms, presentations, dosages and formulations.

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1.71 "**Loss**" and "**Losses**" have the meaning set forth in Section 10.1.1.

1.72 "**Manufacture**" and "**Manufacturing**" means all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping and holding of any product or any intermediate thereof, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial manufacture and analytic development, product characterization, stability testing, quality assurance and quality control.

1.73 "**Manufacturing Process**" has the meaning set forth in Section 5.2.

1.74 [*]

1.75 "**NDO Indication**" means the treatment, prevention or amelioration of the condition of neurogenic detrusor overactivity.

1.76 "**Net Sales**" means, with respect to a Licensed Product for any period, the gross amount billed or invoiced by Allergan, its Affiliates, or its or their Sublicensees for the sale of such Licensed Product to Third Parties (including Distributors), less the following deductions to the extent accrued according to US GAAP for the calculation of Net Sales by Allergan, its Affiliates, or its or their Sublicensees and to the extent allocated to the Licensed Product:

1.76.1 trade, cash, quantity and prompt settlement discounts (including chargebacks and allowances);

1.76.2 amounts repaid or credited by reason of rejection, return or recall of goods, rebates or price reductions (retroactive or otherwise);

1.76.3 freight, postage, shipping, insurance and other transportation expenses;

1.76.4 any fees for services provided by wholesalers or warehousing chains;

1.76.5 customs and excise duties and other taxes or duties;

1.76.6 rebates and similar payments made with respect to sales paid for by any governmental or regulatory authority, including Federal or state Medicaid, Medicare, or similar state program or equivalent foreign governmental program;

1.76.7 the portion of administrative fees paid during the relevant time period to group purchasing organizations or pharmaceutical benefit managers relating to such Licensed Product;

1.76.8 any invoiced amounts that are not collected by Allergan, its Affiliates or its or their Sublicensees, including bad debts; *provided*, that, any invoiced amount that is excluded from Net Sales by Allergan, its Affiliates or its or their Sublicensees pursuant to this Section 1.76.8 and is later collected by Allergan, its Affiliates or its or their Sublicensees shall be included in the gross amount billed or invoiced by Allergan, its Affiliates or its or their Sublicensees as of the date of collection for purposes of determining Net Sales; and

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1.76.9 that portion of the annual fee on prescription drug manufacturers imposed by the Patient Protection and Affordable Care Act, Pub. L. No. 111-148 (as amended) that Allergan, its Affiliate or its or their Sublicensee, as applicable, allocates to sales of the Licensed Products in accordance with Allergan's, its Affiliate's or its or their Sublicensee's standard policies and procedures consistently applied across its products, as applicable.

Any of the deductions listed above that involves a payment by Allergan, its Affiliates or its or their Sublicensees shall be taken as a deduction in the Calendar Quarter in which the payment is accrued by such entity. For purposes of determining Net Sales, a "sale" of a Licensed Product shall not include transfers or dispositions of such Licensed Product for pre-clinical or clinical purposes or as samples, in each case, without charge. Allergan's, its Affiliates' or its or their Sublicensees' transfer of any Licensed Product to an Affiliate or Sublicensee shall not result in any Net Sales, unless such Licensed Product is consumed by such Affiliate or Sublicensee in the course of its commercial activities.

In the case of pharmacy incentive programs, hospital performance incentive programs, chargebacks, disease management programs, similar programs or discounts on portfolio product offerings, all rebates, discounts and other forms of reimbursements shall be allocated among products on the basis on which such rebates, discounts and other forms of reimbursements were actually granted or, if such basis cannot be determined, in accordance with Allergan's, its Affiliates' or its or their Sublicensees' existing allocation method; *provided* that any such allocation shall be done in accordance with Applicable Law, including any price reporting laws, rules and regulations.

Subject to the above, Net Sales shall be calculated in accordance with the standard internal policies and procedures of Allergan, its Affiliates or its or their Sublicensees, which must, in any case, be in accordance with GAAP and must be consistently applied throughout the applicable organization. The determination of Net Sales amounts for a particular Indication shall be made by reference to IMS Health data or, as may be mutually agreed to by the Parties, other Third Party data.

Net Sales of a Licensed Product that is a Combination Product in a country in the Territory will be calculated by first determining Net Sales of such Combination Product (in its entirety) in such country pursuant to the foregoing and then multiplying the Net Sales of such Combination Product by the fraction A/(A+B), where A is the gross invoice price of the Licensed Product contained in such Combination Product described in clause (a) of Section 1.70 in such country and B is the gross invoice price of the other products or active ingredients described in Section 1.23 included in the Combination Product if sold separately in such country. In the event no such separate sales are made in such country, Net Sales of such Combination Product in such country will be calculated by multiplying such Net Sales by a fraction fairly and reasonably reflecting the relative value contributed by the Licensed Product to the total value of the Combination Product as determined by the Parties in good faith.

1.77 "**Necessary Third Party IP**" has the meaning set forth in Section 7.7.1.

1.78 "**New Manufacturing Technology**" has the meaning set forth in Section 5.3.

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1.79 "**Non-Licensed Product**" means any product, other than a Licensed Product, that is comprised of or contains both (i) an RTGel Product and (ii) one or more active pharmaceutical ingredients, whether sold in a fixed-dose combination or the components thereof are sold together, as part of a bundle, package or kit, in any and all forms, presentations, dosages and formulations.

1.80 "**Notice Period**" has the meaning set forth in Section 11.2.1.

1.81 "**Oncology Product**" has the meaning set forth in Section 2.6.3.

1.82 "**Party**" and "**Parties**" have the meaning set forth in the preamble hereto.

1.83 "**Patent Challenge**" has the meaning set forth in Section 11.2.5.

1.84 "**Patents**" means: (a) all national, regional and international patents and patent applications, including provisional patent applications; (b) all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from either of these, including divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications; (c) any and all patents that have issued or in the future issue from the foregoing patent applications ((a) and (b)), including utility models, petty patents, innovation patents and design patents and certificates of invention; (d) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((a), (b) and (c)); and (e) any similar rights, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing patent applications and patents.

1.85 "**Payment**" has the meaning set forth in Section 6.7.

1.86 "**Permitted Active Ingredient**" shall mean any pharmaceutically active ingredient that is a Permitted Active Ingredient pursuant to Section 2.10.

1.87 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a Regulatory Authority.

1.88 "**Pharmacovigilance Agreement**" has the meaning set forth in Section 3.2.3.

1.89 "**Phase I Clinical Trial**" means a Clinical Trial that provides for the first introduction into humans of a product with the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 C.F.R. § 312.21(a), as amended (or its successor regulation).

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1.90 "**Phase II Clinical Trial**" means a Clinical Trial, the principal purpose of which is to make a preliminary determination as to whether a product is safe for its intended use and to obtain sufficient information about such product's efficacy, in a manner that is generally consistent with 21 C.F.R. § 312.21(b), as amended (or its successor regulation), to permit the design of further Clinical Trials.

1.91 "**Phase III Clinical Trial**" means a pivotal Clinical Trial with a defined dose or a set of defined doses of a therapeutic product designed to ascertain efficacy and safety of such product, in a manner that is generally consistent with 21 C.F.R. § 312.21(c), as amended (or its successor regulation), for the purpose of enabling the preparation and submission of a BLA or a foreign equivalent thereof.

1.92 "**PHSA**" means the United States Public Health Service Act, as may be amended, or any subsequent or superseding law, statute or regulation.

1.93 "**Product Infringement Action**" has the meaning set forth in Section 7.4.2.

1.94 "**Product Trademarks**" means the Trademark(s) used by Allergan or its Affiliates or its or their Sublicensees for the Commercialization of Licensed Products in the Territory and any registrations thereof or any pending applications relating thereto in the Territory, including any unregistered Trademark rights related to the Licensed Products as may exist through use before, on or after the Effective Date (excluding, in any event, any Licensed Marks and any other trademarks, service marks, names or logos that include any corporate name or logo of the Parties or their Affiliates or, with respect to Allergan, its or their Sublicensees).

1.95 "**Regulatory Approval**" means, with respect to a country in the Territory, any and all approvals (including approvals of Drug Approval Applications and BLAs, as applicable), licenses, registrations or authorizations of any Regulatory Authority necessary or customary to commercially distribute, sell or market a product in such country, including, where applicable, (a) pricing or reimbursement approval in such country, (b) pre- and post-approval marketing authorizations (including any prerequisite Manufacturing approval or authorization related thereto) and (c) labeling approval.

1.96 "**Regulatory Authority**" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities regulating or otherwise exercising authority with respect to the Exploitation of Licensed Products in the Territory, including the FDA in the United States and the EMA in the European Union.

1.97 "**Regulatory Documentation**" means all (a) applications (including all INDs, Drug Approval Applications and BLAs), registrations, licenses, authorizations and approvals (including Regulatory Approvals), (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority), and all supporting documents with respect thereto, including all adverse event files and complaint files, and (c) clinical and other data

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contained or relied upon in any of the foregoing; in each case of (a), (b) and (c) pertaining to a Licensed Product or an RTGel Component.

1.98 "**Regulatory Exclusivity**" means any exclusive marketing rights or data exclusivity rights conferred by any Regulatory Authority with respect to a Licensed Product in a country or jurisdiction in the Territory, other than a Patent, including exclusivity for an approved Drug Approval Application, new chemical entity exclusivity, new clinical data exclusivity, orphan drug exclusivity, pediatric exclusivity, or rights similar thereto in other countries or regulatory jurisdictions.

1.99 "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the term that commences on the First Commercial Sale of a Licensed Product in a country and terminates on the date that is the latest of (a) the expiration of the last-to-expire Valid Claim of a UroGen Patent that Covers such Licensed Product in such country, (b) the expiration of all Regulatory Exclusivity, if any, for such Licensed Product in such country, and (c) the tenth (10^{th}) anniversary of the First Commercial Sale of such Licensed Product in such country.

1.100 "**RTGel Component**" means the RTGel Product as a component of a Licensed Product.

1.101 "**RTGel Improvement**" means any Invention that constitutes an improvement or modification on (a) the composition or formulation of the RTGel Product, or (b) the method of manufacturing or administration of the RTGel Product, but in any event RTGel Improvement shall not include any Invention that pertains to the composition or formulation of any RTGel Product in combination with another active ingredient, or the method of making or using such combination.

1.102 "**RTGel Product**" means the hydrogel polymer composition known as "RTGel™" with the structure set forth on Schedule 1.102, or any improvement thereof that is included in RTGel Improvement.

1.103 [*]

1.104 "**Senior Officer**" means, with respect to UroGen, its Chief Executive Officer & President—Israel Operations or its Chief Financial Officer, and with respect to Allergan, its Chief R&D Officer.

1.105 "**Sublicensee**" means a Person, other than an Affiliate or a Distributor, that is granted a sublicense by Allergan or its Affiliate under the grants in Section 2.1, as provided in Section 2.2.

1.106 "**Term**" has the meaning set forth in Section 11.1.

1.107 "**Territory**" means the entire world.

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1.108 "**Third Party**" means any Person other than UroGen, Allergan, and their respective Affiliates.

1.109 "**Third Party Claims**" has the meaning set forth in Section 10.1.1.

1.110 "**Third Party Infringement Claim**" has the meaning set forth in Section 7.5.

1.111 "**Toxin-Specific RTGel Improvement**" means any RTGel Improvement that relates to the use of an RTGel Product with a Toxin, but that does not also relate to the use of an RTGel Product with an active ingredient that is not a Toxin.

1.112 "**Toxins**" means (a) clostridial toxin, which is a neurotoxin that blocks neurotransmitter release at the nerve synapse, including any botulinum toxin, or (b) any re-engineered protein, analog, derivative, homolog, part, sub-part, variant or version of any clostridial toxin, including, in each case, of any botulinum toxin.

1.113 "**Trademark**" means any word, name, symbol, color, shape, designation or any combination thereof, including any trademark, service mark, trade name, brand name, sub-brand name, trade dress, product configuration, program name, delivery form name, certification mark, collective mark, logo, tagline, slogan, design or business symbol, that functions as an identifier of source or origin, whether or not registered and all statutory and common law rights therein and all registrations and applications therefor, together with all goodwill associated with, or symbolized by, any of the foregoing.

1.114 "**Trademark Standards**" has the meaning set forth in Section 2.4.1.

1.115 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

1.116 "**UroGen**" has the meaning set forth in the preamble hereto.

1.117 "**UroGen Indemnitees**" has the meaning set forth in Section 10.1.1.

1.118 "**UroGen Know-How**" means all Information Controlled by UroGen or any of its Affiliates as of the Effective Date or at any time during the Term that relates to (a) the RTGel Component, (b) a Licensed Product or (c) the Exploitation of an RTGel Component or Licensed Product; *provided* that UroGen Know-How shall not include any Information to the extent such Information is Covered by a UroGen Patent and sufficiently described in such UroGen Patent as to fully enable its practice as contemplated under this Agreement. Notwithstanding the foregoing, if any Third Party becomes an Affiliate of UroGen after the Effective Date other than by direct or indirect acquisition of such Third Party by UroGen or any of its Affiliates, UroGen Know-How shall exclude any know-how Controlled by such Third Party before such Third Party becomes UroGen's Affiliate except to the extent (x) such Third Party had granted UroGen or any of its Affiliates rights to such know-how prior to the date such Third Party became an Affiliate of UroGen or (y) such know-how was developed by the Third Party or its Affiliate with the use of UroGen Know-How or UroGen Patents.

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1.119 "**UroGen Patent**" means any Patent Controlled by UroGen or any of its Affiliates as of the Effective Date or at any time during the Term that has (a) one or more claims that Cover an RTGel Component or (b) one or more claims that otherwise Cover a Licensed Product. Notwithstanding the foregoing, if any Third Party becomes an Affiliate of UroGen after the Effective Date other than by direct or indirect acquisition of such Third Party by UroGen or any of its Affiliates, UroGen Patent shall exclude any Patents Controlled by such Third Party before such Third Party became UroGen's Affiliate except to the extent (x) such Third Party had granted UroGen or any of its Affiliates rights to such Patent prior to the date such Third Party became an Affiliate of UroGen or (y) such Patent was invented by the Third Party or its Affiliate with the use of UroGen Know-How or UroGen Patents.

1.120 "**UroGen Product Agreements**" has the meaning set forth in Section 6.3.3. For clarity, an UroGen Product Agreement may be entered into before, on or following the Effective Date.

1.121 "**UroGen Product Claims**" means any claim in any UroGen Patent that only Covers one or more Licensed Products but does not also Cover an RTGel Product or a Non-Licensed Product.

1.122 "**UroGen Product Patent**" means any UroGen Patent that contains one (1) or more UroGen Product Claim.

1.123 "**Useful Third Party IP**" has the meaning set forth in Section 7.7.2.

1.124 "**Valid Claim**" means a claim of any issued and unexpired Patent whose validity, enforceability or patentability has not been affected by (a) irretrievable lapse, abandonment, revocation, dedication to the public or disclaimer or (b) a holding, finding or decision of invalidity, unenforceability or non-patentability by a court, governmental agency, national or regional patent office or other appropriate body that has competent jurisdiction, such holding, finding or decision being final and unappealable or unappealed within the time allowed for appeal.

1.125 "**VAT**" has the meaning set forth in Section 6.7.2.

1.126 "**Withholding Tax Action**" has the meaning set forth in Section 6.7.3.

1.127 "**Withholding Taxes**" has the meaning set forth in Section 6.7.1.

1.128 "**Working Group**" has the meaning set forth in Section 2.8.1.

ARTICLE 2
GRANT OF RIGHTS

2.1 Grants to Allergan. Subject to Section 2.2 and Section 2.4, UroGen (on behalf of itself and its Affiliates) hereby grants to Allergan:

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2.1.1 an exclusive (including with regard to UroGen and its Affiliates), royalty-bearing license (or sublicense), with the right to grant sublicenses in accordance with Section 2.2, under the UroGen Patents and the UroGen Know-How to (a) research, develop, have developed, make, have made, use or import the RTGel Components in the Field in the Territory solely to make Licensed Products in the Field in the Territory and (b) Exploit the Licensed Products in the Field in the Territory;

2.1.2 subject to Section 3.2.1, an exclusive (including with regard to UroGen and its Affiliates), royalty-bearing license (or sublicense) and right of reference, with the right to grant sublicenses and further rights of reference in accordance with Section 2.2, under all Regulatory Documentation (including all Regulatory Approvals) in the Territory to (a) research, develop, have developed, make, have made, use or import the RTGel Components in the Field in the Territory solely to make Licensed Products in the Field in the Territory and (b) Exploit the Licensed Products in the Field in the Territory; and

2.1.3 a non-exclusive license, with the right to grant sublicenses in accordance with Section 2.2, to use UroGen's Licensed Marks solely to the extent Allergan is required to use any of the Licensed Marks by Applicable Law to (a) research, develop, have developed, make, have made, use or import the RTGel Components in the Field in the Territory solely to make Licensed Products in the Field in the Territory and (b) Exploit the Licensed Products in the Field in the Territory.

2.2 Sublicenses. Allergan shall have the right to grant sublicenses (or further rights of reference), through multiple tiers of Sublicensees, under the licenses and rights of reference granted in Section 2.1, to its Affiliates or any Third Party; *provided* that any such sublicenses shall be consistent with the terms and conditions of this Agreement. Allergan shall provide UroGen with a copy of any such sublicense agreement executed by Allergan pursuant to this Section 2.2 within thirty (30) days after execution, which copy may be redacted by Allergan to remove proprietary and confidential information to the extent not required to confirm compliance with this Section 2.2. The terms of any sublicense agreement disclosed to UroGen pursuant to this Section 2.2 shall be deemed the Confidential Information of Allergan under this Agreement.

2.3 No Additional Grant of Rights.

2.3.1 Except as expressly provided herein, UroGen grants to Allergan no other right or license, including any rights or licenses to the UroGen Patents, the UroGen Know-How, the Agreement Intellectual Property, Regulatory Documentation (including Regulatory Approvals therein), the Licensed Marks or any other Patent or intellectual property rights, in each case Controlled by UroGen, not otherwise expressly granted herein. Nothing in this Agreement shall give Allergan the right to practice the UroGen Patents, the UroGen Know-How, any Agreement Intellectual Property developed solely by UroGen, the Licensed Marks or the Regulatory Documentation (including Regulatory Approvals therein), in each case Controlled by UroGen, outside of the Field or the Territory.

2.3.2 Except as expressly provided herein, Allergan grants to UroGen no right or license, including any rights or licenses to the Agreement Intellectual Property or any other

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Patent or intellectual property rights, in each case Controlled by Allergan, not otherwise expressly granted herein.

2.4 Covenants of Allergan.

2.4.1 Allergan hereby agrees that all use of the Licensed Marks by Allergan, and any goodwill associated with the use of the Licensed Marks by Allergan, shall inure to the benefit of UroGen. Allergan hereby agrees that nothing in this Agreement shall give Allergan any right, title or interest in the Licensed Marks other than the right and license to use the Licensed Marks in accordance with this Agreement. Allergan further agrees that it will not: (a) oppose or assist any Third Party in opposing any application for registration, re-registration or renewal of the Licensed Marks; (b) apply for or otherwise seek (or assist any Third Party in applying for or otherwise seeking) complete or partial revocation, cancellation, invalidation or removal of the Licensed Marks from any register or (c) challenge or bring (or assist any Third Party in challenging or bringing) any proceeding or action in relation to the use or ownership of the Licensed Marks. In the event Allergan is required to use any of the Licensed Marks by Applicable Law, it shall so notify UroGen and within fifteen (15) days of such notification, UroGen shall provide to Allergan UroGen's then effective standards of use for the relevant Licensed Mark(s) which shall be reasonable and consistent with UroGen's internal policies and arrangements with other trademark licensees (such standards of use, the "**Trademark Standards**").

2.4.2 Allergan shall use the Licensed Marks pursuant to this Agreement solely (a) in the manner specified in this Agreement and (b) in connection with the RTGel Component and the Licensed Product as permitted under this Agreement, and not for any other goods or services. Allergan agrees not to use any other trademark or service mark in combination with the Licensed Marks so as to create a composite mark without the prior written consent of UroGen, such consent not to be unreasonably conditioned, withheld or delayed.

2.4.3 Allergan shall promptly notify UroGen (a) of any claim, threat, lawsuit, filing, or other notice or allegation of infringement of which it is aware asserted against Allergan (or any of its Sublicensees or Distributors) by a Third Party regarding Allergan's (or its Sublicensees' or Distributors') use of the Licensed Marks under this Agreement or (b) if it becomes aware of any Third Party that is infringing any Licensed Mark in the Territory. UroGen shall have the sole right, but not the obligation, to bring infringement, unfair competition, or other claims or proceedings involving the Licensed Marks and Allergan hereby acknowledges and agrees that it shall have no such right. If reasonably requested by UroGen, Allergan shall cooperate with UroGen, at UroGen's expense, in connection with any such action.

2.5 Disclosure of Know-How and Regulatory Documentation.

2.5.1 UroGen shall and shall cause its Affiliates to, without additional compensation, disclose and make available to Allergan, in a form reasonably requested by Allergan (including by providing copies thereof), all Regulatory Documentation Controlled by UroGen and UroGen Know-How (a) that is in existence as of the Effective Date, within fifteen (15) Business Days of the Effective Date and (b) that comes into existence after the Effective

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Date, promptly after the earlier of the development, making, conception or reduction to practice or the filing with any Regulatory Authority of such Regulatory Documentation or UroGen Know-How, as applicable (such disclosure, the "**Initial Disclosure**"). UroGen, at [*] cost and expense, shall provide Allergan with all reasonable assistance required to provide Allergan with the Initial Disclosure in a timely manner. Without limiting the foregoing, UroGen shall provide to Allergan within fifteen (15) Business Days of the Effective Date, to the extent each of the following is UroGen Know-How, as reasonably determined by UroGen or requested by Allergan, (x) all clinical and non-clinical data, research, analyses and other Information (including all Information related to the safety of, or adverse event reporting with respect to, an RTGel Component or a Licensed Product), (y) copies of all material correspondence in UroGen's possession as of the Effective Date, to and from any Regulatory Authority, and (z) minutes or summaries of any material verbal communications with Regulatory Authorities prepared by or on behalf of UroGen or any Third Party, in each case of clauses (x) through (z), in a form and format reasonably requested by Allergan.

2.5.2 Upon Allergan's reasonable request following the Initial Disclosure, UroGen shall provide (i) reasonable assistance to Allergan following the Initial Disclosure for purposes of assisting Allergan in acquiring expertise on the practical application of such Information or assisting Allergan in resolving issues arising during the exercise of such rights, and (ii) such additional assistance (including access to those of UroGen's representatives as Allergan may reasonably request) as may be requested by Allergan for compensation, provided that: (a) UroGen shall provide the first [*] hours of such assistance under this Section 2.5.2 at its own cost, (b) Allergan shall reimburse UroGen for any additional assistance under this Section 2.5.2 at the rate of [*] per hour, and (c) Allergan shall reimburse UroGen its documented travel and other out-of-pocket expenses incurred in providing all assistance under this Section 2.5.2 within thirty (30) days of invoice therefor.

2.6 RTGel Improvements.

2.6.1 Each Party shall promptly disclose to the other Party any RTGel Improvements Controlled by such first Party or its Affiliates during the Term and provide the other Party with all relevant Information Controlled by such first Party with respect to such RTGel Improvement. Concurrent with a disclosure of any RTGel Improvements, each Party shall also disclose the existence of any Patent or other intellectual property right of a Third Party in any country in the Territory that it believes necessary to practice such RTGel Improvement (which disclosure shall not constitute any representation or warranty by the Party making such disclosure to the other Party), and any license to such Patent or other intellectual property right of a Third Party shall be subject to Section 7.7.1. Notwithstanding and without limiting any of the foregoing, each Party shall use commercially reasonable efforts to ensure that, for the purposes of this Agreement, it Controls any RTGel Improvement invented or otherwise developed by, in the case of Allergan, its Sublicensees or Affiliates and, in the case of UroGen, its licensees or Affiliates.

2.6.2 Allergan may, at any time, request that UroGen not provide any detailed disclosure with respect to any RTGel Improvement by UroGen and reject any RTGel Improvement by UroGen under Section 2.6.1 on written notice to UroGen, in which event, the

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licenses to Allergan under Section 2.1 shall cease to include such RTGel Improvement and Allergan shall have no right to use or practice such rejected RTGel Improvement under this Agreement.

2.6.3 Subject to the terms of this Agreement (including Section 2.9), Allergan hereby grants to UroGen (a) a non-exclusive, fully paid-up, perpetual worldwide license, with the right to freely grant sublicenses through multiple tiers, under any RTGel Improvement Controlled by Allergan other than any Toxin-Specific RTGel Improvements (the "**Allergan RTGel Improvements**") for the Exploitation of the RTGel Product and any product incorporating the RTGel Product and any active ingredient other than a Toxin in all fields other than [*], and (b) an exclusive (including with regard to Allergan and its Affiliates), royalty-bearing, perpetual worldwide license, with the right to freely grant sublicenses through multiple tiers, under the Allergan RTGel Improvements for the Exploitation of the RTGel Product and any product incorporating the RTGel Product and any active ingredient other than a Toxin in the prevention or treatment of oncology indications (each, an "**Oncology Product**"), subject to UroGen's obligation to pay Allergan a royalty of [*] of net sales in the Territory by UroGen, its Affiliates and its licensees of such Oncology Product. The term "net sales" with respect to such Oncology Products has the same meaning as "Net Sales" under this Agreement, and such royalty shall be paid in accordance with Section 6.5 and Section 6.6, in each case *mutatis mutandis*. In addition, during the Term, the Parties may negotiate and agree in writing upon the terms and conditions pursuant to which UroGen may obtain an exclusive license under any Allergan RTGel Improvement for use in any indication other than the oncology indications; provided that, for clarity, in no event shall Allergan be obligated to grant such license to UroGen.

2.7 Confirmatory Patent License. UroGen shall, if requested to do so by Allergan, promptly enter into confirmatory license agreements in such form as may be reasonably requested by Allergan for purposes of recording the licenses granted to Allergan under this Agreement with such patent offices in the Territory as Allergan considers appropriate. Until the execution of any such confirmatory licenses, so far as may be legally possible, UroGen and Allergan shall have the same rights in respect of the UroGen Patents and be under the same obligations to each other in all respects as if the said confirmatory licenses had been executed.

2.8 Governance.

2.8.1 Working Group. Promptly, and in any event within thirty (30) days after the Effective Date, the Parties shall establish a working group (the **"Working Group**") and such Working Group will facilitate communications and discussions between the Parties with respect to each Party's rights and obligations under this Agreement, including Allergan's Development activities [*] and Allergan's Commercialization activities [*] Each Party shall appoint one or more appropriate representatives to the Working Group. Each Party may replace its representatives at any time upon written notice to the other Party. The Working Group shall meet at least semi-annually, or more frequently as such Working Group may agree. The Working Group may meet in person, by videoconference, or by teleconference, as agreed by such Working Group. Each Party shall bear the expense of its respective Working Group members' participation in Working Group meetings. The Working Group shall not have decision-making authority with respect to any matter under this Agreement.

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2.8.2 Alliance Managers. Each Party shall appoint a person who shall oversee contact between the Parties for all matters under this Agreement and shall have such other responsibilities as the Parties may agree in writing after the Effective Date (each such person, an "**Alliance Manager**"). Either Party may replace its Alliance Manager at any time by notice in writing to the other Party. The Alliance Managers shall work together to manage and facilitate the communication between the Parties under this Agreement, including the resolution (in accordance with the terms of this Agreement) of issues between the Parties that arise in connection with this Agreement. The Alliance Managers shall not have final decision-making authority with respect to any matter under this Agreement.

2.9 Exclusivity. [*], UroGen shall not (and shall cause its Affiliates to not), [*] any product containing the RTGel Product (whether or not such product contains one or more additional active or inactive ingredients) for use in the First Indication or the NDO Indication in the Territory, either as the indication being investigated in such clinical trial, or as the indication included in the product label for commercial sale, as applicable, except as necessary to fulfill its obligations under this Agreement; *provided* that nothing in this Section 2.9 shall prevent UroGen from [*]. For clarity, the restrictions in this Section 2.9 require UroGen to (and require UroGen to cause its Affiliates to) cease as of the Effective Date any [*] activities related to any product containing the RTGel Product (including the Licensed Product) for the First Indication and the NDO Indication in the Territory. For further clarity, UroGen and its Affiliates shall not be restricted from conducting [*] any product containing an RTGel Product for use in indications (including oncology indications) other than the First Indication or the NDO Indication, even though: (i) [*], or (ii) [*], so long as [*]. This Section 2.9 does not apply to any product developed or commercialized by any Third Party that becomes an Affiliate of UroGen after the Effective Date other than by direct or indirect acquisition of such Third Party by UroGen or any of its Affiliates, to the extent such development or commercialization (a) has occurred prior to such Third Party becoming an Affiliate of UroGen and without any access to Information or Patents owned or controlled by UroGen, or (b) occurs without the use of any Information or Patents owned or controlled by UroGen after such Third Party becomes an Affiliate of UroGen; provided that, a "firewall" of reasonable safeguards is put in place between individuals with access to Information and Patents (to the extent unpublished) owned or controlled by UroGen, on the one hand, and the personnel responsible for the development or commercialization of such product, on the other hand.

2.10 Permitted Active Ingredients. From time to time, in the event Allergan wishes to combine a Licensed Product with a pharmaceutically active ingredient (either as a fixed-dose combination or to be combined or mixed prior to or during administration), Allergan may do so by requesting such to UroGen in writing and UroGen shall have [*] days to respond to such request. If Allergan's request is to combine a Licensed Product with a pharmaceutically active ingredient in order to [*], UroGen may only decline to grant Allergan's request by written notice to Allergan if, at the time of receipt of such notice, UroGen (a) [*] or (b) [*]. If UroGen grants Allergan's request, the pharmaceutically active ingredient subject to the request shall be deemed a "Permitted Active Ingredient" under this Agreement. Notwithstanding any of the foregoing, in the event UroGen does not respond to Allergan's request under this Section 2.10 within [*] days, UroGen shall have no right to reject Allergan's request and the pharmaceutically active ingredient subject to the request shall be deemed a "Permitted Active Ingredient" under this

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Agreement. If, [*] months following the designation of any pharmaceutically active ingredient as a Permitted Active Ingredient under this Section 2.10, Allergan has not initiated a pre-clinical or clinical development program pursuant to which a product containing the RTGel Product and such ingredient as one of the active ingredients of such product is being developed, then such pharmaceutically active ingredient shall cease to be a Permitted Active Ingredient. For clarity, nothing in this Section 2.10 shall restrict UroGen's use of any Permitted Active Ingredient in accordance with this Agreement. Any information disclosed to UroGen by Allergan as part of Allergan's request under this Section 2.10 to combine a Licensed Product with a pharmaceutically active ingredient, including, in particular, the use of such pharmaceutically active ingredient with an RTGel Product, shall be deemed Allergan's Confidential Information under this Agreement.

ARTICLE 3
DEVELOPMENT AND REGULATORY ACTIVITIES

3.1 Development.

3.1.1 In General.

(a) **Responsibility**. Subject and pursuant to the terms of this Agreement, Allergan shall have the sole right and responsibility, at its sole expense, to Develop the Licensed Products and, without limiting the generality of the foregoing, to (a) file all Drug Approval Applications or BLAs and make all other filings with the Regulatory Authorities, and to otherwise seek all Regulatory Approvals for Licensed Products, in the Territory, as well as to conduct all correspondence and communications with Regulatory Authorities regarding such matters and (b) report all adverse events to Regulatory Authorities if and to the extent required by Applicable Law.

(b) **Development Plan**. An initial development plan is attached hereto as Exhibit A (such plan, as may be amended by time to time pursuant to this Agreement, the "**Development Plan**"). The Development Plan is a high-level summary of the Development activities Allergan anticipates being necessary to obtain Regulatory Approval for Licensed Products for the First Indication in the U.S. and [*] EU5 Countries for which Allergan is using Commercially Reasonable Efforts to Develop and seek Regulatory Approval for a Licensed Product in the First Indication. For as long as Development activities under this Agreement are ongoing, on or before each anniversary of the Effective Date, Allergan shall prepare an amendment, as appropriate, to the then-current Development Plan to reflect material changes or additions to the Development of Licensed Products for the First Indication in the U.S. and [*] EU5 Countries. Allergan shall submit all amendments to the Development Plan to UroGen and, upon such submission, the amended Development Plan will become effective and supersede the previous Development Plan.

3.1.2 Diligence. Allergan shall use Commercially Reasonable Efforts to Develop and seek Regulatory Approval for a Licensed Product [*] in the United States and [*] EU5 Countries.

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3.1.3 Subcontracting. Allergan shall have the right to subcontract any of its Development activities to a Third Party without any prior approval of UroGen; *provided* that Allergan remains responsible for its obligations under this Agreement.

3.1.4 Compliance with Applicable Law. Allergan shall and shall cause its Affiliates to, comply in all material respects with all Applicable Law with respect to the Development of Licensed Products hereunder.

3.1.5 Development Records. Allergan shall maintain, in good scientific manner, complete and accurate books and records pertaining to its Development activities hereunder, in sufficient detail to verify compliance with its obligations under this Agreement and which shall be appropriate for patent and regulatory purposes, in compliance with Applicable Law and properly reflect all work done and results achieved in the performance of its Development activities hereunder, which books and records shall record only such activities and shall not include or be commingled with records of activities outside the scope of this Agreement. Such books and records shall be retained by Allergan for at least [*] years after the expiration or termination of this Agreement in its entirety or for such longer period as may be required by Applicable Law.

3.2 Regulatory Activities.

3.2.1 Regulatory Approvals. As between the Parties, except as expressly set forth herein, Allergan shall have the sole right to prepare, obtain, and maintain Drug Approval Applications and BLAs, as applicable (including the setting of the overall regulatory strategy therefor), other Regulatory Approvals, and other submissions to Regulatory Authorities, and to conduct communications with the Regulatory Authorities, for Licensed Products in the Territory (which shall include filings of or with respect to INDs and other filings or communications with the Regulatory Authorities with respect to Development activities). Allergan shall provide UroGen with copies of relevant draft modules (or their equivalent) of original marketing applications (for clarity, excluding amendments to marketing applications) for any Licensed Product in the Territory reasonably in advance of such application's submission. UroGen may provide comments on such application's content within [*] Business Days of receipt, and Allergan shall consider UroGen's comments in good faith to the extent applicable to the RTGel Component. UroGen shall support Allergan, as may be reasonably necessary, in obtaining Regulatory Approvals for the Licensed Products and in the activities in support thereof, including providing all documents and other materials in the possession or control of UroGen or any of its Affiliates, and attending any meeting or discussion with any Regulatory Authority, in either case, as may be necessary or useful for Allergan or any of its Affiliates or its or their Sublicensees to obtain Regulatory Approvals for the Licensed Products. In addition, [*] and [*]. Allergan shall provide UroGen with minutes of any meeting with a Regulatory Authority relating to the RTGel Component; *provided*, that Allergan may redact from such minutes any Information that pertains to products other than a Licensed Product. For purposes of this Section 3.2.1, "**Notified Body**", means the certification organization designated by the relevant member state of the European Union, authorized to conduct conformity assessments in accordance with the procedures listed in the European Union Directive, 93/42/EEC (OJ No L 169/1, 12 July 1993), as amended. Upon UroGen's request, Allergan shall promptly provide UroGen with all documents [*] in accordance with this Section 3.2.1.

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3.2.2 Recalls, Suspensions or Withdrawals.

(a) Each Party shall notify the other Party reasonably promptly following its determination that any event, incident or circumstance has occurred that may result in the need for a recall, market suspension or market withdrawal of a Licensed Product or RTGel Component in the Territory and shall include in such notice the reasoning behind such determination and any supporting facts.

(b) As between the Parties, Allergan shall have the right to make the final determination whether to voluntarily implement any recall, market suspension or market withdrawal in the Territory with respect to a Licensed Product. If a recall, market suspension or market withdrawal is mandated by a Regulatory Authority in the Territory, as between the Parties, Allergan shall initiate such a recall, market suspension or market withdrawal in compliance with Applicable Law. For all recalls, market suspensions or market withdrawals undertaken pursuant to this Section 3.2.2, as between the Parties, Allergan shall be solely responsible for the execution and UroGen shall reasonably cooperate in all such efforts. Subject to Section 10.1.2, Allergan shall be responsible for all costs of any such recall, market suspension or market withdrawal, except in the event and to the extent that a recall, market suspension or market withdrawal resulted from UroGen's or its Affiliate's breach of its representations, warranties, covenants or obligations hereunder or from UroGen's or its Affiliate's fraud, negligence or willful misconduct, in which case, UroGen shall reimburse Allergan the expense of such recall, market suspension or market withdrawal.

3.2.3 Safety Database. The Parties shall in good faith negotiate and execute a mutually acceptable pharmacovigilance agreement addressing drug safety and adverse event reporting and compliance (the "**Pharmacovigilance Agreement**") within ninety (90) days following the Effective Date. Before the execution of such Pharmacovigilance Agreement, the terms of this Section 3.2.3 apply. Allergan shall establish, hold and maintain (at Allergan's cost and expense) a safety database for Licensed Products. UroGen shall provide Allergan with all information necessary for Allergan to comply with its pharmacovigilance responsibilities in the Territory, including, as applicable, any adverse drug experiences (including those events or experiences that are required to be reported to the FDA under 21 C.F.R. sections 312.32 or 314.80 or to foreign Regulatory Authorities under corresponding Applicable Law outside the United States), from pre-clinical or clinical laboratory, animal toxicology and pharmacology studies, clinical studies and commercial experiences with an RTGel Product or Licensed Product. Allergan shall provide UroGen a copy of all Information maintained by Allergan in the Allergan safety database for Licensed Products or otherwise, to the extent such Information is related to RTGel Products or otherwise as necessary for UroGen to comply with Applicable Law or a request by a Regulatory Authority.

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ARTICLE 4
COMMERCIALIZATION

4.1 Commercializing Party. As between the Parties, Allergan (itself or through its Affiliates or its or their Sublicensees) shall have the sole right to Commercialize Licensed Products in the Field in the Territory at its sole cost and expense.

4.2 Diligence. Allergan shall use Commercially Reasonable Efforts to Commercialize a Licensed Product [*] in the United States and [*] EU5 Countries following receipt of Regulatory Approval therefor in the applicable country. UroGen acknowledges and agrees that Allergan shall not be obligated to use Commercially Reasonable Efforts to Commercialize more than one Licensed Product in the United States or any EU5 Country or to Commercialize a Licensed Product in any country in the Territory other than the United States and [*] EU5 Countries.

4.3 Commercialization Plan. Allergan shall deliver to UroGen a high-level summary of its anticipated Commercialization activities in the United States and [*] the EU5 Countries for which Allergan is using Commercially Reasonable Efforts to Commercialize a Licensed Product with respect to a Licensed Product [*] no later than six (6) months prior to the anticipated launch of [*] Licensed Product [*] in the United States or one of the EU5 Countries (such summary, the "**Commercialization Plan**"). On or before each anniversary of the delivery of the first Commercialization Plan, Allergan shall prepare an amendment, as appropriate, to the then-current Commercialization Plan to reflect material changes or additions to the Commercialization of Licensed Product for the First Indication in the United States and the relevant [*] EU5 Countries. Allergan shall submit all amendments to the Commercialization Plan to UroGen and, upon such submission, the amended Commercialization Plan will become effective and supersede the previous Commercialization Plan.

4.4 Booking of Sales; Distribution. As between the Parties, Allergan shall have the sole right to invoice and book sales, establish all terms of sale (including pricing and discounts) and warehouse and distribute the Licensed Products in the Territory and perform or cause to be performed all related services. Subject to Section 3.2.2, as between the Parties, Allergan shall handle all returns, recalls or withdrawals, order processing, invoicing, collection, distribution and inventory management with respect to the Licensed Products in the Territory.

4.5 Compliance with Applicable Law. Allergan shall and shall cause its Affiliates to, comply in all material respects with all Applicable Law with respect to the Commercialization of Licensed Products hereunder.

4.6 Subcontracting; Distributors. Allergan shall have the right to subcontract any of its Commercialization activities to a Third Party (including by appointing one or more contract sales forces, co-promotion partners or Distributors); *provided* that Allergan remains responsible for its obligations under this Agreement.

ARTICLE 5
SUPPLY

5.1 Supply of Products.

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5.1.1 General Terms. UroGen shall, at Allergan's request, supply pre-clinical and clinical quantities (for Phase I Clinical Trials and Phase II Clinical Trials only) of the RTGel Component for the Development of Licensed Products by Allergan in accordance with this Agreement and any purchase order delivered by Allergan to UroGen for such RTGel Component (such purchase order, other than the initial supply orders, to include a required delivery date for the ordered quantities no less than [*] days from the date of the purchase order); *provided* that, for the initial Phase II Clinical Trial to be conducted by Allergan with respect to a Licensed Product, in no event shall Allergan request, without UroGen's prior consent, more than [*] of RTGel Component to be supplied by UroGen hereunder. The initial supply order for RTGel Components to be supplied by UroGen to Allergan will consist of at least [*] of sterile, GMP grade RTGel Component and its Certificate of Analysis ("**CofA**") that shall be delivered, notwithstanding any other provision of this Agreement, by UroGen to Allergan no later than [*] (the "**Initial Supply**" and such initial supply terms, the "**Initial Supply Terms**"). UroGen shall Manufacture (or have Manufactured) all such RTGel Components in accordance with Applicable Law, including cGMP for clinical supply. All RTGel Component supplied to Allergan under this Agreement will meet the acceptance criteria for all the tests on the CofA. The supply price for an RTGel Component payable by Allergan to UroGen under this Agreement or the supply agreement described in Section 5.1.2 shall be equal to the direct out-of-pocket costs incurred by UroGen in either the Manufacture or procurement from a Third Party, as applicable, of each RTGel Component [*]. Except as otherwise set forth in this Section 5.1, Allergan shall have the sole right, at its expense, to Manufacture (or have Manufactured) and supply the Licensed Products for Exploitation in the Territory by Allergan and its Affiliates and its or their Sublicensees. In no event shall Allergan be obligated to procure supply of RTGel Components exclusively from UroGen or meet any minimum quantity order requirements. For clarity, UroGen has no obligation to supply Allergan with any RTGel Component for Phase III Clinical Trials or for the launch or commercial use of the Licensed Product. Notwithstanding anything to the contrary in this Section 5.1.1, in the event an RTGel Component is an Allergan RTGel Improvement for which the manufacturing process materially differs from the manufacturing process for the RTGel Product as of the Effective Date, then (a) the Parties shall, at Allergan's request, discuss and implement in good faith a commercially reasonable plan under which UroGen can manufacture and supply such RTGel Component for Allergan in accordance with this Agreement, which shall include (i) reimbursement by Allergan to UroGen for its reasonably incurred and documented costs in implementing the different manufacturing process (to the extent such process will be used to supply RTGel Components to Allergan under this Agreement) and (ii) the technology transfer described in Section 5.3, and (b) (i) Section 5.1.3 shall cease to apply with respect to any failure or delay in the supply of a RTGel Component reasonably stemming from implementation by UroGen or its Third Party supplier of such different manufacturing process for such RTGel Component and (ii) in the event such change in RTGel Component applies to the Initial Supply, then the Initial Supply Terms shall cease to apply.

5.1.2 Clinical Supply and Quality Agreement. Within [*] days of the Effective Date, the Parties shall enter into a clinical supply agreement setting forth any additional terms and conditions of such supply and quality with respect thereto, including a reasonable and customary quality assurance agreement that shall set forth the terms and conditions upon which UroGen will conduct its quality activities in connection with such supply. Such agreements shall be negotiated and agreed by the Parties in good faith.

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5.1.3 Failure to Supply. In the event UroGen, for [*] times, fails to supply to Allergan under Section 5.1.1 at least [*] of the RTGel Component requested by Allergan pursuant to the terms of this Agreement, then Allergan shall have the right to make a one-time reduction with respect to the amount of the next milestone payment due to UroGen under Section 6.2.1 by [*].

5.2 Manufacturing Technology Transfer. Upon Allergan's request, initiated no earlier than [*] after the Effective Date and no later than the completion of the first Phase II Clinical Trial for a Licensed Product conducted by Allergan or its authorized designee, UroGen shall effect a full transfer to Allergan or its designee (which designee may be an Affiliate or a Third Party manufacturer) of all UroGen Know-How relating to the then-current process for the Manufacture of the RTGel Component (the "**Manufacturing Process**") and to implement the Manufacturing Process at facilities designated by Allergan. The transfer of the Manufacturing Process from UroGen shall be deemed complete when Allergan is able to, either itself or via its designee, Manufacture Licensed Products that meet established specifications. Following completion of the transfer of the Manufacturing Process in accordance with this Section 5.2, as between the Parties, (a) Allergan shall be responsible for securing the manufacture of its future needs of RTGel Components not then subject to an outstanding purchase order including, for the avoidance of doubt, any Phase I or Phase II Clinical Trials conducted by Allergan after the completion of such transfer, and (b) except with respect to purchase orders placed by Allergan in accordance with Section 5.1.1 for RTGel Component prior to the completion of transfer, Section 5.1.1 and Section 5.1.3 shall cease to apply in their entirety. Upon Allergan's reasonable request following the transfer of the Manufacturing Process for the RTGel Component, UroGen shall provide (i) up to [*] hours of reasonable technical assistance [*] following the transfer of the Manufacturing Process to enable Allergan (or its Affiliate or designated Third Party manufacturer, as applicable) to implement, use and practice the Manufacturing Process at the facilities designated by Allergan and (ii) such additional technical assistance (including access to its technical personnel) as may be requested by Allergan for compensation at the rate of [*] per hour, in each case of (i) and (ii) subject to reimbursement of UroGen's documented travel and other out-of-pocket expenses incurred in providing such assistance within [*] days of invoice therefor. Notwithstanding the anything to the contrary, Allergan shall be responsible at all times during the Term for manufacture of all [*] of the Licensed Product.

5.3 Subsequent Manufacturing Technology Transfer. Without limiting the foregoing or the licenses and other rights granted by each Party to the other under this Agreement, in the event that (a) any Allergan RTGel Improvement is made by or on behalf of Allergan or any of its Affiliates or (b) any RTGel Improvement is made by or on behalf of UroGen or any of its Affiliates, in each case relating to, or that is otherwise necessary or useful for, the Manufacture of the RTGel Product during the Term ("**New Manufacturing Technology**"), such Party shall promptly disclose such New Manufacturing Technology to the other Party and shall, at the other Party's request, perform technology transfer with respect to such New Manufacturing Technology in the same manner as provided in Section 5.2 (applied *mutatis mutandis* to Allergan, as applicable).

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ARTICLE 6
PAYMENTS AND RECORDS

6.1 Upfront Payment. In partial consideration of the rights granted by UroGen to Allergan hereunder and subject to the terms and conditions of this Agreement, no later than ten (10) Business Days following the Effective Date, Allergan shall pay UroGen a non-creditable, non-refundable, upfront amount equal to Seventeen Million Five Hundred Thousand Dollars ($17,500,000).

6.2 Milestones.

6.2.1 Development and Approval Milestones. Subject to the terms of this Agreement (including Section 5.1.3), within [*] days after the first achievement by Allergan, its Affiliates or Sublicensees of a Milestone Event set forth below for Licensed Products, Allergan shall make a one-time, non-creditable, non-refundable Milestone Payment to UroGen in the amount below corresponding to such Milestone Event:

Milestone Event	Milestone Payment
Submission of IND application for a Licensed Product to the FDA	$ 7,500,000
Initiation of a Phase III Clinical Trial for a Licensed Product for the First Indication	$ 20,000,000
Initiation of Phase III Clinical Trial for a Licensed Product for the Second Indication	$ 15,000,000
First Commercial Sale of a Licensed Product in the U.S. for the First Indication	$ 50,000,000
First Commercial Sale of a Licensed Product in three of the EU5 Countries for the First Indication	$ 25,000,000
First Commercial Sale of a Licensed Product in the U.S. for the Second Indication	$ 25,000,000
First Commercial Sale of a Licensed Product in three of the EU5 Countries for the Second Indication	$ 15,000,000

6.2.2 Sales-Based Milestone. In partial consideration of the license rights granted by UroGen to Allergan hereunder and subject to the terms and conditions set forth in this Agreement, the first time that the aggregate Net Sales of all Licensed Products made by Allergan or any of its Affiliates or Sublicensees in the Territory in any Calendar Year exceed Five Hundred Million Dollars ($500,000,000), Allergan shall pay to UroGen a non-creditable, non-refundable milestone payment in the amount of Fifty Million Dollars ($50,000,000). Such milestone payment shall be due within [*] days after the end of the applicable Calendar Year in which the relevant sales threshold was met.

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6.3 Royalties.

6.3.1 Royalty Rates. In partial consideration of the license rights granted by UroGen to Allergan hereunder and subject to the terms and conditions set forth in this Agreement, Allergan shall pay to UroGen a royalty, subject to the terms of this Agreement (including Section 6.3.2), on Net Sales to Third Parties (including Distributors) of each Licensed Product in a country in the Territory during each Calendar Year of the applicable Royalty Term at the following rates:

(a) for that portion of aggregate Net Sales of such Licensed Product in the Territory during such Calendar Year is less than or equal to [*], a royalty rate of [*]; and

(b) for that portion of aggregate Net Sales of such Licensed Product in the Territory during such Calendar Year between [*] and [*], a royalty rate of [*]; and

(c) for that portion of aggregate Net Sales of such Licensed Product in the Territory during such Calendar Year over [*], a royalty rate of [*].

6.3.2 Reductions.

(a) Subject to Section 6.3.2(c), if one or more Third Parties sell a Competing Product that has received Regulatory Approval for, or is otherwise used for, an Indication in any country in the Territory for which a Licensed Product has received Regulatory Approval for such Indication, then commencing on the date on which sales of the Competing Product by such Third Parties are equal to or greater than [*] of aggregate unit volume of sales of the Licensed Product in such country (as measured by IMS Health data or other similar information available from a Third Party data provider and applicable to such country) and continuing for the remainder of the Royalty Term, then the applicable royalty rates in effect with respect to the Licensed Product in such country shall be reduced to [*] of the royalty rates set forth in Section 6.3.1.

(b) Subject to Section 6.3.2(c), beginning in the first Calendar Quarter during the Royalty Term for a particular Licensed Product in a country in the Territory for which there is no Valid Claim of a UroGen Patent that Covers such Licensed Product in such country and continuing for the remainder of the Royalty Term for such Licensed Product in such country, the applicable royalty in effect with respect to such Licensed Product in such country shall be reduced to [*] of the royalty rates set forth in Section 6.3.1. For clarity, for any particular Licensed Product in any particular country, in the event any pending patent application within any UroGen Patent issues during the Royalty Term but after the royalty reduction under this Section 6.3.2(b) has been triggered, the claims in such pending application shall be deemed "Valid Claims" for the purpose of calculating the Royalty Term for such Licensed Product in such country, but shall not result in the reversal of the royalty rate reduction for such Licensed Product in such country under this Section 6.3.2(b).

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(c) Notwithstanding the foregoing, if both Section 6.3.2(a) and Section 6.3.2(b) apply, then the royalty rates shall be [*] of the royalty rates set forth in Section 6.3.1.

6.3.3 Specified Agreements.

(a) UroGen shall be solely responsible for any and all payments and other obligations owed to any Third Party under any agreement (i) to which UroGen or any of its Affiliates is a party that is in force as of the Effective Date and is related to the UroGen Patents, the UroGen Know-How, the Licensed Products, or the RTGel Component, including any agreements for the supply of such, (ii) that pertains to Third Party intellectual property Covering the composition or formulation of, or the method of making or using, the RTGel Product existing as of the Effective Date when such agreement is entered into on or after the Effective Date by UroGen or any of its Affiliates and or (iii) that pertains to Third Party intellectual property Covering the composition of, formulation of, or the method of making or using, any RTGel Improvement Controlled by UroGen or its Affiliates when such Third Party intellectual property was not identified by UroGen to Allergan at the time of the disclosure of such RTGel Improvement under Section 2.6.1 (collectively, the "**UroGen Product Agreements**"). If UroGen receives a notice of breach (a "**Breach Notice**") under any of the UroGen Product Agreements, within three (3) Business Days of receipt of such Breach Notice, UroGen shall notify Allergan in writing of its receipt of such Breach Notice. If UroGen does not cure the breach specified in a Breach Notice during the first half of the applicable cure period set forth in the applicable UroGen Product Agreement with respect to such breach (including any tolling of such cure period provided in such UroGen Product Agreement if UroGen disputes such breach), then Allergan may, in its sole discretion, pay to such Third Party the amounts due by UroGen under such UroGen Product Agreement to cure such breach or otherwise cure such breach and offset one hundred percent (100%) of such payments plus any other costs incurred by Allergan in curing such breach against amounts otherwise payable to UroGen under this Agreement.

(b) Allergan shall be solely responsible, subject to Sections 6.3.3(a) and 7.7, for any and all payments and other obligations owed to any Third Party under any agreement to which Allergan or any of its Affiliates is a party that pertains to Third Party intellectual property Covering the composition or formulation of, or the method of making or using, any Allergan RTGel Improvement.

6.4 Estimated Sales Levels. UroGen acknowledges and agrees that the sales levels set forth in Section 6.2.2 and Section 6.3.1 shall not be construed as representing an estimate or projection of anticipated sales of the Licensed Products or implying a level of diligence or Commercially Reasonable Efforts in the Territory and that the sales levels set forth in those Sections are merely intended to define Allergan's royalty and other payment obligations, as applicable, in the event such sales levels are achieved.

6.5 Royalty Payments and Reports. Allergan shall calculate all amounts payable to UroGen pursuant to Section 6.2.2 or Section 6.3.1 at the end of each Calendar Quarter, which amounts shall be converted to Dollars in accordance with Section 6.6. Within [*] days after the end of each Calendar Quarter during which there are Net Sales giving rise to a payment

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obligation pursuant to Section 6.2.2 or Section 6.3.1, Allergan shall submit to UroGen a report identifying, for each Licensed Product, the Net Sales for such Licensed Product for each country in the Territory for such Calendar Quarter, any sales milestones or royalties payable to UroGen pursuant to Section 6.2.2 or Section 6.3.1, as applicable, the basis for any reduction in royalties pursuant to Section 6.3.3, and the conversion of such Net Sales from the currency of sale into Dollars.

6.6 Mode of Payment. All payments to either Party under this Agreement shall be made by deposit of Dollars in the requisite amount to such bank account as the receiving Party may from time to time designate by notice to the paying Party. For the purpose of calculating any sums due under, or otherwise reimbursable pursuant to, this Agreement (including the calculation of Net Sales expressed in currencies other than Dollars), a Party shall convert any amount expressed in a foreign currency into Dollar equivalents using its, its Affiliate's or Sublicensee's standard conversion methodology consistent with GAAP.

6.7 Taxes.

6.7.1 General. Each Party is responsible for its own taxes, duties, levies, imposts, assessments, deductions, fees, withholdings or similar charges imposed on or measured by net income or overall gross income (including branch profits), gross receipts, capital, ability or right to do business, property, and franchise or similar taxes pursuant to Applicable Law. The milestones, royalties and other amounts payable by Allergan to UroGen pursuant to this Agreement (each, a "**Payment**") shall be paid free and clear of any and all taxes, except for any withholding of taxes, duties, levies, imposts, assessments, deductions, fees, and other similar charges required by Applicable Law ("**Withholding Taxes**"). Except as provided in this Section 6.7, UroGen shall be solely responsible for paying any and all taxes (other than Withholding Taxes required by Applicable Law to be deducted from Payments and remitted by Allergan) levied on account of, or measured in whole or in part by reference to, any Payments it receives. Allergan shall deduct or withhold from the Payments any Withholding Taxes that it is required by Applicable Law to deduct or withhold. Notwithstanding the foregoing, if UroGen is entitled under any applicable tax treaty to a reduction of rate of, or the elimination of, applicable Withholding Taxes, it may deliver to Allergan or the appropriate governmental authority (with the reasonable assistance of Allergan to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms valid under Applicable Law necessary to lawfully reduce the applicable rate of withholding or to relieve Allergan of its obligation to withhold such Withholding Taxes and Allergan shall apply the reduced rate of withholding or dispense with withholding, as the case may be; *provided* that Allergan has received, in a form satisfactory to Allergan, the valid forms, or evidence of UroGen's delivery of all applicable valid forms (and, if necessary, its receipt of appropriate governmental authorization), at least fifteen (15) days prior to the time that the Payments are due. If, in accordance with the foregoing, Allergan withholds any amount, it shall pay to UroGen the net remaining balance when due, make timely payment to the proper Governmental Authority of the withheld amount and send to UroGen proof of such payment within a reasonable time following such payment, and such Withholding Taxes shall be treated for all purposes of this Agreement as having been paid to UroGen hereunder. UroGen shall indemnify and hold harmless Allergan for any withholding agent liability for Withholding Taxes, including interest and penalties thereon. The Parties shall

reasonably cooperate and take any commercially reasonable actions necessary to perform any required reporting and withholding and to eliminate or minimize the amount of any such deductions, withholdings, or Additional Amounts, if any, including providing valid and sufficient certificates, documentation and other information under Applicable Law. UroGen represents and agrees that it is the beneficial owner of the Payments and is a resident of Israel by virtue of the Applicable Law of Israel, and does not have a fixed base, office or permanent establishment in Ireland through which it carries on a trade or business.

6.7.2 Value Added Tax. Notwithstanding anything contained in Section 6.7.1, this Section 6.7.2 shall apply with respect to value added tax, ad valorem, goods and services or similar tax chargeable on the supply or deemed supply of goods or services, sales and use taxes, transaction taxes, consumption taxes and other similar taxes required by Applicable Law including any interest, penalties or other additions to tax thereon, required under Applicable Law ("VAT"). All Payments are exclusive of VAT. If any VAT is required in respect of any Payments under Applicable Law, Allergan shall pay VAT at the applicable rate in respect of any such Payments following the receipt of a valid VAT invoice in the appropriate form issued by UroGen in respect of those Payments, such VAT to be payable on the later of the due date of the payment of the Payments to which such VAT relates and forty-five (45) days after the receipt by Allergan of the applicable valid invoice relating to that VAT payment. The Parties will reasonably cooperate to issue valid invoices for all amounts due under this Agreement consistent with VAT requirements. Allergan shall not be responsible for any penalties and interest resulting from the failure by UroGen to collect (if not included on a valid VAT invoice) or remit any such VAT. UroGen and Allergan shall reasonably cooperate to eliminate or minimize the amount of any such VAT imposed on the transactions contemplated in this Agreement.

6.7.3 Withholding Tax Action. If either Party (or its Affiliates or successors) is required to make a payment to the other Party subject to Withholding Tax, then if such Withholding Tax obligation arises as a direct result of an assignment of this Agreement, change of control of the payor, change of jurisdiction of payments made by payor, or change of domicile by the payor, and such action has the effect on such payment of increasing the amount of tax required to be deducted or withheld than the maximum Withholding Taxes that would have been due under the Term of the Agreement had such action not been taken after taking into account all available and lawful reductions or eliminations of such Withholding Taxes available under Applicable Law (a "**Withholding Tax Action**"), then the amount payable by the Party taking such Withholding Tax Action (in respect of which such increased deduction or withholding is required to be made) shall be increased by the amount necessary to ensure that after deduction or withholding of such Withholding Taxes, the other Party receives the same amount that it would have received had no such Withholding Tax Action occurred determined at the time of each payment (the "**Additional Amounts**"); *provided*, *however*, that if the payee derives or is able to derive a Tax benefit (including through the use of Tax credit, offset, or otherwise) under Applicable Law, in whole or in part, determined on a with and without basis as a result of such additional Withholding Taxes, payor shall not be required to increase any Payment by the amount of such Tax benefit, or, if withholding has already been made, the payee shall promptly reimburse the payor for the amount of such benefit; *provided*, *further*, that the payee shall take all commercially reasonable actions necessary to obtain any lawful reductions or eliminations of such Withholding Taxes available under Applicable Law or any Tax benefit (including through

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the use of foreign Tax credit) with respect to such additional Withholding Taxes and to defend such benefit in a Tax audit, administrative proceeding or litigation. The Additional Amounts, along with any other Withholding Taxes deducted and withheld from the payment made by such Party, shall be otherwise subject to Section 6.7.1. For the avoidance of doubt, no Additional Amounts are required due to an increase of Withholding Taxes as a direct result of an assignment of this Agreement, change of control, or change of domicile by the payee, or as a result of a change in legislation. Notwithstanding the foregoing, any sublicense or assignment in contravention of Section 2.2 or Section 12.3, respectively, of this Agreement will not constitute a Withholding Tax Action.

6.8 Financial Records. Allergan shall, and shall cause its Affiliates and its or their Sublicensees to, keep complete and accurate financial books and records pertaining to the Commercialization of Licensed Products hereunder (including Net Sales of Licensed Products) to the extent required to calculate and verify all amounts payable hereunder. Allergan shall, and shall cause its Affiliates and its or their Sublicensees to, retain such books and records until the later of (a) [*] years after the end of the period to which such books and records pertain and (b) the expiration of the applicable tax statute of limitations (or any extensions thereof) or for such longer period as may be required by Applicable Law. UroGen shall, and shall cause its Affiliates to, retain its books and records regarding Withholding Taxes and any withholding forms as discussed in Section 6.7.1 until the expiration of the applicable tax statute of limitations (or any extensions thereof) or for such longer period as may be required by Applicable Law.

6.9 Audit.

6.9.1 Procedures. At the request of UroGen, Allergan shall, and shall cause its Affiliates and its and their Sublicensees to, permit an independent auditor designated by UroGen and reasonably acceptable to Allergan, at reasonable times and upon reasonable notice, to audit the books and records maintained pursuant to Section 6.8 to ensure the accuracy of all reports and payments made hereunder; *provided* that neither Allergan nor any of its Affiliates or its or their Sublicensees, shall be obligated to make such books and records available to such auditor until such auditor has entered into a confidentiality agreement in a form reasonably acceptable to Allergan. Such examinations may not (a) be conducted for any Calendar Quarter more than [*] years after the end of such quarter, (b) be conducted more than [*] in any twelve (12)-month period (unless a previous audit during such twelve (12)-month period revealed an underpayment with respect to such period) or (c) be repeated for any Calendar Quarter. Except as provided below, the cost of this audit shall be borne by UroGen, unless the audit reveals a variance of more than [*] from the reported amounts, in which case Allergan shall bear the cost of the audit. Unless disputed pursuant to Section 6.9.2, if such audit concludes that additional amounts were owed by Allergan, Allergan shall pay the additional amounts within [*] days after the date on which such audit is completed by or on behalf of UroGen and if such audit concludes that Allergan made an overpayment, any amount of such overpayment shall be fully creditable against amounts payable hereunder for the immediately succeeding Calendar Quarter(s); *provided*, that if at the end of the Term any of such overpayment amount has not been credited against amounts payable hereunder, UroGen shall pay Allergan such remaining overpayment within [*] days after the end of the Term.

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6.9.2 Audit Dispute. In the event of a dispute with respect to any audit under Section 6.9.1, UroGen and Allergan shall work in good faith to resolve the dispute. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within [*] days, the dispute shall be submitted for resolution to a certified public accounting firm jointly selected by each Party's certified public accountants or to such other Person as the Parties shall mutually agree (the "**Auditor**"). The decision of the Auditor shall be final and the costs of such arbitration as well as the initial audit shall be borne between the Parties in such manner as the Auditor shall determine. Not later than [*] days after such decision and in accordance with such decision, Allergan shall pay the additional amounts, or UroGen shall reimburse the excess payments, as applicable.

6.9.3 Confidentiality. UroGen shall treat all information subject to review under this ARTICLE 6 in accordance with the confidentiality provisions of ARTICLE 8 and the Parties shall cause the Auditor to enter into a reasonably acceptable confidentiality agreement Allergan obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement.

ARTICLE 7
INTELLECTUAL PROPERTY

7.1 Ownership of Intellectual Property.

7.1.1 Inventorship. Inventorship of all Inventions shall be determined in accordance with U.S. patent laws.

7.1.2 Background Technology. As between the Parties, each Party shall own and retain all right, title and interest in and to any and all Information, Inventions, Patents and other intellectual property rights that are Controlled by such Party or any of its Affiliates or, with respect to Allergan, its or their Sublicensees, as of the Effective Date.

7.1.3 Agreement Intellectual Property. Except as otherwise expressly provided in this Agreement, (i) if any Agreement Know-How is solely invented by one or more employees, agents, consultants, subcontractors or independent contractors of a Party, such Agreement Know-How, and any and all intellectual property rights therein (including any Agreement Patents claiming such Agreement Know-How), shall be solely owned by such Party, and (ii) if any Agreement Know-How is jointly invented by one or more employees, agents, consultants, subcontractors or independent contractors of each Party, such Agreement Know-How (a "**Joint Invention**"), each Patent Covering such Joint Invention (each, a "**Joint Patent**"), and other intellectual property rights in such Joint Invention shall be jointly owned by the Parties. Except to the extent either Party is restricted by the licenses granted to the other party herein, each Party may practice and exploit the Joint Inventions without the duty of accounting or seeking consent from the other Party, and each Party hereby consents to any further sublicensing of such Joint Patents anywhere in the world, subject to the licenses granted herein.

7.1.4 Assignment Obligation. Each Party shall cause all Persons (a) who perform activities for such Party under this Agreement or (b) who conceive, discover, develop or

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otherwise make any Inventions or Information by or on behalf of either Party or its Affiliates or its or their Sublicensees to be under an obligation to assign (or, if such Party is unable to cause such Person to agree to such assignment obligation despite such Party's using commercially reasonable efforts to negotiate such assignment obligation, provide an exclusive license under) intellectual property rights arising from such activities or rights in any such Information and Inventions resulting therefrom to such Party to the extent such Party would have an obligation under this Agreement to grant rights to such Inventions or Information or rights to such intellectual property to the other Party if such Inventions, Information or intellectual property rights were Controlled by such Party, except where Applicable Law requires otherwise and except in the case of governmental, not-for-profit and public institutions that have standard policies against such an assignment (in which case a suitable license, or right to obtain such a license, shall be obtained).

7.1.5 Ownership of Product Trademarks. As between the Parties, Allergan shall have the sole right to determine and shall own all right, title and interest in and to the Product Trademarks in the Territory; *provided*, that such Product Trademarks shall not be confusingly similar to or dilutive of the Licensed Marks. UroGen shall not and shall not permit its Affiliates to, (a) use in their respective businesses, any Trademark that is confusingly similar to, misleading or deceptive with respect to or that dilutes any (or any part) of the Product Trademarks and (b) do any act that endangers, destroys, or similarly affects, in any material respect, the value of the goodwill pertaining to the Product Trademarks. UroGen shall not and shall not permit its Affiliates to, attack, dispute or contest the validity of or ownership of any Product Trademark anywhere in the Territory or any registrations issued or issuing with respect thereto.

7.1.6 Ownership of Licensed Marks. As between the Parties, UroGen shall retain all right, title and interest in and to its Licensed Marks. Nothing in this ARTICLE 7 shall restrict or derogate UroGen's rights with respect to enforcement or defense of the Licensed Marks.

7.2 Control of Intellectual Property. Neither Party shall enter into or amend any agreement with a Third Party, or include in any such agreement or amendment any restrictive provisions, with the effect of limiting its Control of, or to not Control, any Information, Patent or other intellectual property right or Regulatory Documentation that would be subject to the license grants in Sections 2.1 (as to UroGen) or Section 2.6.3 (as to Allergan) in the absence of such agreement, amendment or restrictive provisions.

7.3 Maintenance and Prosecution of Patents.

7.3.1 UroGen Patents. As between the Parties, UroGen shall have the right, at its sole cost and expense, but not the obligation, using counsel of its own choice, to prepare, file, prosecute and maintain the UroGen Patents in the Territory and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, and the costs and expenses. UroGen shall inform Allergan of all material steps with regard to the preparation, filing, prosecution and maintenance of UroGen Patents and shall provide Allergan drafts of any material filings or responses to be made to patent authorities in advance of submitting such filings or responses as to allow Allergan a reasonable opportunity to review and comment thereon. UroGen will consider Allergan's reasonable comments in good faith.

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7.3.2 UroGen Product Patents.

(a) In addition to the rights and obligations set forth in Section 7.3.1, with respect to any UroGen Product Patents, UroGen shall provide Allergan with a copy of material communications to and from any patent authority regarding such UroGen Product Patents and provide Allergan drafts of any material filings or responses to be made to such patent authorities sufficiently in advance of submitting such filings or responses so as to allow for a reasonable opportunity for Allergan to review and comment thereon. The Parties shall discuss in good faith Allergan's comments with respect to such drafts and with respect to strategies for preparing, filing, prosecuting and maintaining the UroGen Product Patents, and UroGen shall incorporate Allergan's good faith comments with respect to the foregoing, to the extent that [*]. For clarity, a comment of Allergan referenced in the preceding sentence may be deemed to not be "good faith" only if [*]. Notwithstanding anything to the contrary in this Section 7.3.2(a), Allergan shall control and be responsible for any related interference, re-issuance, re-examination, opposition and post-grant proceedings with respect to the UroGen Product Patents and the costs and expenses incurred in connection with the foregoing; *provided*, that Allergan may only pursue any interference, re-issuance, re-examination, opposition and post-grant proceedings with respect to the UroGen Product Patents if such actions are conducted by Allergan [*]; *provided*, *further*, that Allergan shall keep UroGen reasonably informed of such proceedings and the terms of Section 7.4.5 shall govern the obligations of the parties with respect to the conduct of such proceedings.

(b) If UroGen decides not to prepare, file, prosecute or maintain a UroGen Product Patent in a country in the Territory, UroGen shall provide reasonable prior written notice to Allergan of such intention and, Allergan shall thereupon have the option to assume the control and direction of the preparation, filing, prosecution and maintenance of such UroGen Product Patent at its sole cost and expense in such country. Upon transfer of UroGen's responsibility for preparing, filing, prosecuting and maintaining any UroGen Product Patent under this Section 7.3.2, UroGen shall promptly deliver to Allergan copies of all necessary files related to the UroGen Product Patents with respect to which responsibility has been transferred and shall take all actions and execute all documents reasonably necessary for Allergan to assume such preparation, filing, prosecution, maintenance and defense. UroGen shall provide true, complete and correct copies of the file wrappers and other documents and materials relating to the prosecution, defense, maintenance, validity and enforceability of the UroGen Product Patents to Allergan promptly after the Effective Date to the extent not already provided to Allergan. Allergan shall provide UroGen with regular updates on the preparation, filing, prosecution and maintenance of such UroGen Product Patents and shall notify UroGen in writing of any filing, issuance or abandonment of any UroGen Product Patent.

7.3.3 Agreement Patents (Including Joint Patents). As between the Parties, Allergan shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain any Agreement Patent solely owned or Controlled by Allergan worldwide, and to be responsible for any related interference, re-issuance, re-examination and opposition proceedings, in each

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case, at its sole cost and expense and using counsel of its own choice. The Parties shall mutually agree upon which Party shall prosecute Joint Patents, based on the contribution of each Party and each Party's potential interest in products based upon the Joint Inventions Covered by such Joint Patents.

7.3.4 Cooperation. The non-prosecuting Party shall, and shall cause its Affiliates to, assist and cooperate with the prosecuting Party, as the prosecuting Party may reasonably request from time to time, in the preparation, filing, prosecution and maintenance of the UroGen Product Patents or the Joint Patents in the Territory under this Agreement, including that the non-prosecuting Party shall, and shall cause its Affiliates to (a) (i) execute all papers and instruments, or require its employees or contractors to execute such papers and instruments, so as to enable the prosecuting Party to prepare, file, prosecute and maintain the UroGen Product Patents or the Joint Patents in the Territory; and (ii) obtain and maintain any Patent extensions, supplementary protection certificates, and the like with respect to the UroGen Product Patents or the Joint Patents in the Territory, in each case of (i) and (ii), to the extent provided for in this Agreement, (b) offer its comments, if applicable, promptly, (c) provide access to relevant documents and other evidence and make its employees available at reasonable business hours and (d) provide the prosecuting Party, upon its request, with copies of any patentability search reports generated by its patent counsel with respect to the UroGen Patents, including relevant Third Party patents and patent applications located (provided that neither Party shall be required to provide legally privileged information with respect to such intellectual property unless and until procedures reasonably acceptable to such Party are in place to protect such privilege); *provided*, that the prosecuting Party shall reimburse the non-prosecuting Party for its reasonable and verifiable out-of-pocket costs and expenses incurred in connection therewith. Following the Effective Date, to the extent it is possible for any claim in a UroGen Patent to be drafted and prosecuted as a UroGen Product Claim, UroGen will take all reasonable action to draft and prosecute such UroGen Product Claim.

7.3.5 Patent Term Extension and Supplementary Protection Certificate. All decisions regarding, and to apply for, patent term extensions in the Territory, including the United States with respect to extensions pursuant to 35 U.S.C. §156 et. seq. and in other jurisdictions pursuant to supplementary protection certificates, and in all jurisdictions with respect to any other extensions that are now or become available in the future, wherever applicable, for the UroGen Patents with respect to the Licensed Products shall be made by [*], in each case including whether or not to do so; *provided* that [*] shall have final decision-making authority with respect to [*]. Each Party shall provide prompt and reasonable assistance, as requested by the other Party, including, if applicable, taking such action as patent holder as is required under any Applicable Law to obtain such extension or supplementary protection certificate.

7.3.6 Common Ownership Under Joint Research Agreements. Notwithstanding anything to the contrary in this ARTICLE 7, neither Party shall have the right to make an election under 35 U.S.C. 102(c) when exercising its rights under this ARTICLE 7 without the prior written consent of the other Party. With respect to any such permitted election, the Parties shall coordinate their activities with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a "joint research agreement" as defined in 35 U.S.C. 100(h).

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7.3.7 Patent Listings. As between the Parties, Allergan shall have the sole right to make all filings with Regulatory Authorities in the Territory with respect to the Agreement Patents and, solely with respect to any Licensed Product, the UroGen Patents, including as required or allowed (a) in the United States, in the FDA's Orange Book or under 42 U.S.C. §262(l), (b) in the European Union, under the national implementations of Article 10.1(a)(iii) of Directive 2001/EC/83 and (c) under any other international equivalents to the laws and regulations set forth in clause (a) or (b) of this Section 7.3.7.

7.4 Enforcement of Patents.

7.4.1 Notice. Each Party shall promptly notify the other Party in writing of (a) any alleged or threatened infringement with respect to a UroGen Product Claim, (b) any alleged or threatened infringement of the UroGen Patents or Agreement Patents in any jurisdiction in the Territory, which infringing activity involves the Exploitation of a product [*] (such product, an "**Infringing Product**") or (c) (i) any certification filed under the Hatch-Waxman Act claiming that any UroGen Patents or Agreement Patents are invalid or unenforceable or claiming that any UroGen Patents or Agreement Patents would not be infringed by the making, use, offer for sale, sale or import of an Infringing Product for which an application under the Hatch-Waxman Act is filed or any equivalent or similar certification or notice in any other jurisdiction in the Territory or (ii) any receipt of a Biosimilar Notice with respect to a Licensed Product (each of clause (a), (b) and (c) of this Section 7.4.1, a "**Competitive Infringement**"), in each case of which such Party becomes aware.

7.4.2 Product Infringement Actions. As between the Parties, Allergan shall have the first right, but not the obligation, to prosecute any Competitive Infringement, including as a defense or counterclaim in connection with any Third Party Infringement Claim, at Allergan's sole cost and expense, using counsel of its own choice (the "**Product Infringement Action**"). If Allergan prosecutes any such Product Infringement Action, UroGen shall have the right to join as a party to such claim, suit or proceeding in the Territory and participate with its own counsel at its sole cost and expense; *provided* that Allergan shall retain control of the prosecution of such claim, suit or proceeding, including the response to any defense or defense of any counterclaim raised in connection therewith. If Allergan or its designee does not take commercially reasonable steps to prosecute a Product Infringement Action (a) within [*] days following the first notice provided above with respect to such Competitive Infringement or (b) provided such date occurs after the first such notice of such Competitive Infringement is provided, [*] Business Days before the time limit, if any, set forth in Applicable Law and regulations for filing of such actions, whichever comes first, then (x) Allergan shall so notify UroGen and (y) [*] UroGen may prosecute such alleged or threatened Competitive Infringement at its sole cost and expense.

7.4.3 Prosecution of Other Infringement. Allergan shall not have the right to prosecute any infringement of a UroGen Patent that is not a Competitive Infringement without first obtaining the prior written consent of UroGen and reaching written agreement with UroGen as to the strategy, prosecution and control of such enforcement.

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7.4.4 Enforcement of Agreement Patents (Including Joint Patents). As between the Parties, Allergan shall have the sole right, but not the obligation, to prosecute any alleged or threatened infringement with respect to Agreement Patents solely owned or Controlled by Allergan, including as a defense or counterclaim in connection with any Third Party Infringement Claim, at Allergan's sole cost and expense, using counsel of its own choice, and Allergan shall retain control of the prosecution of such suit. The Parties shall mutually agree upon which Party shall enforce Joint Patents, based on the contribution of each Party and each Party's potential interest in products based upon the Joint Inventions Covered by such Joint Patents.

7.4.5 Cooperation. The Parties agree to cooperate fully in any infringement action pursuant to this Section 7.4, including in the case of UroGen, by making the inventors, applicable records and documents (including laboratory notebooks) of the relevant Patents available to Allergan upon Allergan's request. Where a Party controls such an action, the other Party shall, and shall cause its Affiliates to, assist and cooperate with the controlling Party, as such controlling Party may reasonably request from time to time, in connection with its activities set forth in this Section 7.4, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours; *provided* that the controlling Party shall reimburse such other Party for its reasonable and verifiable out-of-pocket costs and expenses incurred in connection therewith. Unless otherwise set forth herein, the Party entitled to bring any infringement in accordance with this Section 7.4 shall have the right to settle such litigation; *provided*, *further*, that neither Party shall have the right to settle any infringement litigation under this Section 7.4 in a manner that has a material adverse effect on the rights or interest of the other Party or in a manner that imposes any costs or liability on or involves any admission by, the other Party, without the express written consent of such other Party (which consent shall not be unreasonably withheld, conditioned or delayed). In connection with any activities with respect to an infringement action prosecuted by a Party pursuant to this Section 7.4 involving Patents Controlled by or licensed under Section 2.1 to the other Party, the Party controlling such action shall (a) consult with the other Party as to the strategy for the prosecution of such claim, suit or proceeding, (b) consider in good faith any comments from the other Party with respect thereto and (c) keep the other Party reasonably informed of any material steps taken and provide copies of all material documents filed, in connection with such action.

7.4.6 Recovery. Except as otherwise agreed by the Parties in connection with a cost sharing arrangement, any recovery realized as a result of such litigation described above in this Section 7.4 (whether by way of settlement or otherwise) shall be first allocated to reimburse each Party for its costs and expenses in making such recovery (which amounts shall be allocated pro rata if insufficient to cover the totality of such expenses). Any remainder after such reimbursement is made shall be retained by the Party that has exercised its right to bring the enforcement action; *provided*, *however*, that any such remainder retained by Allergan that is attributable to lost sales of a Licensed Product shall be treated as "Net Sales" in the Calendar Year in which the money is actually received and any royalties pursuant to Section 6.3 shall be payable by Allergan to UroGen with respect thereto; *provided* that any such recovery [*].

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7.5 Infringement Claims by Third Parties. If the Exploitation of a Licensed Product in the Territory pursuant to this Agreement results in, or is reasonably expected to result in, any claim, suit or proceeding by a Third Party alleging infringement of such Third Party's patent or other intellectual property rights (a "**Third Party Infringement Claim**"), including any defense or counterclaim in connection with an infringement action initiated pursuant to Section 7.4, the Party first becoming aware of such alleged Third Party Infringement Claim shall promptly notify the other Party thereof in writing. As between the Parties, Allergan shall have the first right, but not the obligation, to defend and control the defense of any such Third Party Infringement Claim at its sole cost and expense (subject to Section 10.1.2), using counsel of its own choice. UroGen may participate in any such Third Party Infringement Claim with counsel of its choice at its sole cost and expense. If Allergan or its designee elects (in a written communication submitted to UroGen within a reasonable amount of time after notice of the alleged Third Party Infringement Claim) not to defend or control the defense of, or otherwise fails to timely initiate and maintain the defense of, any such Third Party Infringement Claim, UroGen may conduct and control the defense of any such claim, suit or proceeding at its sole cost and expense, unless Allergan elected not to defend such Third Party Infringement Claim due to Allergan's good faith strategic decision. Where a Party controls such a Third Party Infringement Claim, the other Party shall, and shall cause its Affiliates to, assist and cooperate with the controlling Party, as such controlling Party may reasonably request from time to time, in connection with its activities set forth in this Section 7.5, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such a Third Party Infringement Claim, providing access to relevant documents and other evidence and making its employees available at reasonable business hours; *provided* that the controlling Party shall reimburse such other Party for its reasonable and verifiable out-of-pocket costs and expenses incurred in connection therewith. Each Party shall keep the other Party reasonably informed of all material developments in connection with any such Third Party Infringement Claim. Each Party agrees to provide the other Party with copies of all material pleadings filed in such action and to allow the other Party reasonable opportunity to participate in the defense of any Third Party Infringement Claim. Any recoveries awarded to a Party in connection with any Third Party Infringement Claim defended under this Section 7.5 shall be retained by such Party.

7.6 Invalidity or Unenforceability Defenses or Actions.

7.6.1 Each Party shall promptly notify the other Party in writing of any alleged or threatened assertion of invalidity or unenforceability of any of the UroGen Patents or Agreement Patents by a Third Party of which such Party becomes aware.

7.6.2 As between the Parties, Allergan shall have the first right, but not the obligation, to defend and control the defense of the validity and enforceability of the UroGen Product Patents at its sole cost and expense in the Territory and using counsel of its own choice, including when such invalidity or unenforceability is raised as a defense or counterclaim in connection with an infringement action initiated pursuant to Section 7.4. UroGen may participate

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in any such claim, suit or proceeding in the Territory regarding such UroGen Product Patent with counsel of its choice at its sole cost and expense; provided that Allergan shall retain control of the defense in such claim, suit or proceeding. If Allergan or its designee elects not to defend or control the defense of such UroGen Product Patents in a suit brought in the Territory or otherwise fails to initiate and maintain the defense of any such claim, suit or proceeding within [*] days after the applicable claim is filed, then UroGen may conduct and control the defense of any such claim, suit or proceeding at its sole cost and expense.

7.6.3 As between the Parties, UroGen shall have the sole right, but not the obligation, to defend and control the defense of the validity and enforceability of the UroGen Patents (other than the UroGen Product Patents) at its sole cost and expense in the Territory and using counsel of its own choice, including when such invalidity or unenforceability is raised as a defense or counterclaim in connection with an infringement action initiated pursuant to Section 7.4.

7.6.4 Where a Party controls such any action described in this Section 7.6, the other Party shall, and shall cause its Affiliates to, assist and cooperate with the controlling Party, as such controlling Party may reasonably request from time to time, in connection with its activities set forth in this Section 7.6, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours; *provided* that the controlling Party shall reimburse such other Party for its reasonable and verifiable out-of-pocket costs and expenses incurred in connection therewith. In connection with any activities with respect to a defense, claim or counterclaim relating to the UroGen Patents pursuant to this Section 7.6, the controlling Party shall (x) consult with the other Party as to the strategy for such activities, (y) consider in good faith any comments from the other Party and (z) keep the other Party reasonably informed of any material steps taken and provide copies of all material documents filed, in connection with such defense, claim or counterclaim.

7.7 Third Party Rights.

7.7.1 If a Party reasonably believes that the Exploitation of a Licensed Product by Allergan or any of its Affiliates or any of its or their Sublicensees, Distributors or customers infringes or misappropriates or is reasonably expected to infringe or misappropriate any Patent, trade secret or other intellectual property right of a Third Party in any country in the Territory (such right, a "**Necessary Third Party IP**"), then such Party shall provide notice of such Necessary Third Party IP to the other Party, and the Parties shall discuss such Necessary Third Party IP and their interest in obtaining a license thereto. In connection with such discussions, the Parties may enter into a common interest agreement in order to protect the attorney-client and other similar privileges and confidentiality with respect to such matters on standard and customary terms and conditions. As between the Parties, Allergan shall have the first right, but not the obligation, to negotiate and obtain a license or other rights from such Third Party to such Necessary Third Party IP as necessary or desirable for Allergan or its Affiliates or its and their Sublicensees to Exploit Licensed Products in such country, except to the extent such license or other rights pertains to Third Party intellectual property Covering the composition or

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formulation of, or the method of making or using, (a) the RTGel Product existing as of the Effective Date or (b) any RTGel Improvement Controlled by UroGen or its Affiliates if such Third Party intellectual property was not identified by UroGen to Allergan at the time of the disclosure of such RTGel Improvement under Section 2.6.1, in which cases UroGen shall have the first right, but not the obligation, to negotiate and obtain such license or other rights from such Third Party. In the event UroGen has the first right to obtain a Third Party Right under this Section 7.7.1, nothing shall preclude Allergan from seeking to secure such Third Party Right in the event UroGen has not secured such rights in a timely fashion so as to prevent any meaningful interruption in Allergan's exercise of its rights under this Agreement, at UroGen's sole cost and expense. Subject to the preceding sentence, any license to Necessary Third Party IP shall be obtained at the sole cost and expense of the Party obtaining such license, *provided* that, in the event any Necessary Third Party IP so in-licensed is required by a Party to practice any RTGel Improvement Controlled by the other Party, such licensing Party shall obtain such license in a manner so that Necessary Third Party IP is sublicensed to the other Party, with any such sublicensing being conditioned upon the sublicensee Party's written agreement to be responsible for and payment of any royalty obligations to such Third Party licensor resulting from the exercise of such sublicense, either directly or through the Party obtaining such license from such Third Party, subject to UroGen's responsibility for certain of such Third Party payments as specifically set forth in Section 6.3.3(a)(ii) or (iii). Allergan shall not secure any Third Party Right in a manner that would preclude UroGen from obtaining rights or a license to practice such Third Party Rights with respect to other products containing or incorporating RTGel Product that are not Licensed Products.

7.7.2 If a Party reasonably believes that any Patent, trade secret, or other intellectual property right of a Third Party in any country in the Territory would be reasonably useful for the Exploitation of the RTGel Product (such intellectual property right, "**Useful Third Party IP**"), then such Party shall provide notice of such Useful Third Party IP and the Parties shall discuss in good faith such Useful Third Party IP, their interest in obtaining a license thereto, and whether (a) such license shall be obtained by one Party and sublicensed to the other Party, with any such sublicensing being conditioned upon the sublicensee Party's written agreement to be responsible for and payment of any royalty obligations to such Third Party licensor resulting from the exercise of such sublicense, either directly or through the Party obtaining such license from such Third Party, (b) each Party shall obtain its separate license from such Third Party or (c) one Party does not wish to obtain a license to such Useful Third Party IP. In the event each Party obtains a separate license as set forth in clause (b) or only one Party obtains a license as set forth in (c), the Useful Third Party IP licensed by the relevant licensee Party shall not be included in such Party's licenses to the other Party under this Agreement unless otherwise mutually agreed upon by the Parties in writing.

7.8 Product Trademarks.

7.8.1 Notice. Each Party shall provide to the other Party prompt written notice of any actual or threatened infringement of the Product Trademarks in the Territory and of any actual or threatened claim that the use of the Product Trademarks in the Territory violates the rights of any Third Party, in each case, of which such Party becomes aware.

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7.8.2 Prosecution of Product Trademarks. Allergan shall have the sole right to register, prosecute and maintain the Product Trademarks using counsel of its own choice. All costs and expenses of registering, prosecuting and maintaining the Product Trademarks shall be borne solely by Allergan.

7.8.3 Enforcement of Product Trademarks. Allergan shall have the sole right to take such action as Allergan deems necessary against a Third Party based on any alleged, threatened or actual infringement, dilution, misappropriation or other violation of or unfair trade practices or any other like offense relating to, the Product Trademarks by a Third Party in the Territory at its sole cost and expense and using counsel of its own choice. Allergan shall retain any damages or other amounts collected in connection therewith.

7.8.4 Third Party Claims. Allergan shall have the sole right to defend against and settle any alleged, threatened or actual claim by a Third Party that the use or registration of the Product Trademarks in the Territory infringes, dilutes, misappropriates or otherwise violates any Trademark or other right of that Third Party or constitutes unfair trade practices or any other like offense or any other claims as may be brought by a Third Party against a Party in connection with the use of the Product Trademarks with respect to a Licensed Product in the Territory at its sole cost and expense and using counsel of its own choice. Allergan shall retain any damages or other amounts collected in connection therewith.

7.8.5 Cooperation. UroGen shall, and shall cause its Affiliates to, assist and cooperate with Allergan, as Allergan may reasonably request from time to time, in connection with its activities set forth in this Section 7.8, including where necessary, furnishing a power of attorney solely for such purpose or joining in, or being named as a necessary party to, such action, providing access to relevant documents and other evidence and making its employees available at reasonable business hours; *provided* that Allergan shall reimburse UroGen for its reasonable and verifiable out-of-pocket costs and expenses incurred in connection therewith.

ARTICLE 8
CONFIDENTIALITY AND NON-DISCLOSURE

8.1 Confidentiality Obligations. At all times during the Term and for a period of [*] years following termination or expiration of this Agreement in its entirety, each Party shall and shall cause its officers, directors, employees and agents to, keep confidential and shall not (a) publish or otherwise disclose any Confidential Information furnished to it by the other Party other than as provided for in this Agreement or (b) use for any purpose any Confidential Information furnished or otherwise made known to it, directly or indirectly, by the other Party except to the extent such use is expressly permitted by the terms of this Agreement or is reasonably necessary for the performance of, or the exercise of such Party's rights under this Agreement. "**Confidential Information**" means any technical, business or other information provided by or on behalf of one Party to the other Party in connection with this Agreement or the MTA, whether prior to, on or after the Effective Date, including the terms of this Agreement (subject to Section 8.4), Information relating to an RTGel Product or a Licensed Product (including the Regulatory Documentation), any Development or Commercialization of a Licensed Product, any know-how with respect thereto developed by or on behalf of the

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disclosing Party or its Affiliates or, in the case of Allergan, its or their Sublicensees (including Agreement Know-How and UroGen Know-How, as applicable) or the scientific, regulatory or business affairs or other activities of either Party or its Affiliates. Notwithstanding the foregoing, the terms of this Agreement shall be deemed to be the Confidential Information of both Parties (and both Parties shall be deemed to be the receiving Party and the disclosing Party with respect thereto). Notwithstanding the foregoing, the confidentiality and non-use obligations under this Section 8.1 with respect to any Confidential Information shall not apply to any information that:

8.1.1 was generally available to the public or otherwise part of the public domain at the time of its disclosure or thereafter becomes part of the public domain by public use, publication, general knowledge or the like, in each case through no breach of this Agreement by the receiving Party;

8.1.2 can be demonstrated by documentation or other competent proof to have been in the receiving Party's possession prior to disclosure by the disclosing Party without any obligation of confidentiality with respect to such information;

8.1.3 is subsequently received by the receiving Party from a Third Party who is not bound by any obligation of confidentiality (directly or indirectly) with respect to such information; or

8.1.4 was independently developed by or for the receiving Party without use of or reference to the disclosing Party's Confidential Information, as demonstrated by documented evidence prepared by the receiving Party contemporaneously with such independent development or other competent evidence.

Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of the receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the receiving Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of the receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the receiving Party unless the combination and its principles are in the public domain or in the possession of the receiving Party.

8.2 Permitted Disclosures. Each Party may disclose Confidential Information to the extent that such disclosure is:

8.2.1 made in response to a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial and local governmental or Regulatory Authorities of competent jurisdiction or, if in the reasonable opinion of the receiving Party's legal counsel, such disclosure is otherwise required by Applicable Law, including by reason of filing with securities regulators; *provided*, *however*, that the receiving Party shall first have given notice to the disclosing Party and given the disclosing Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order or required to be

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disclosed be held in confidence by such court or governmental or regulatory body or, if disclosed, be used only for the purposes for which the order was issued or such disclosure was required by law; and *provided*, *further*, that the Confidential Information disclosed in response to such court or governmental order or as required by law shall be limited to the information that is legally required to be disclosed in response to such court or governmental order or by such law;

8.2.2 made by or on behalf of the receiving Party to a patent authority as may be reasonably necessary or useful for purposes of prosecuting or obtaining a Patent pursuant to Section 7.3 or enforcing a Patent pursuant to Section 7.4; *provided*, *however*, that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available;

8.2.3 made in the course of prosecuting or defending litigation as contemplated by, or arising out of, this Agreement, including Section 8.9;

8.2.4 made to its or its Affiliates' employees, consultants, contractors, advisors (including financial advisors, lawyers and accountants) and others on a need to know basis, for the sole purpose of performing its or its Affiliates' obligations or exercising its or its Affiliates' rights under this Agreement, *provided* that in each case the recipient of such Confidential Information shall be subject to written obligations of confidentiality and non-use with respect to such Confidential Information no less stringent than those set forth in this ARTICLE 8 prior to any such disclosure; or

8.2.5 made by or on behalf of the receiving Party to potential or actual investors or acquirers solely as may be necessary in connection with their evaluation of such potential or actual investment or acquisition; *provided*, *however*, that such Persons shall be subject to written obligations of confidentiality and non-use with respect to such Confidential Information no less stringent than the obligations of confidentiality and non-use of the receiving Party pursuant to this ARTICLE 8 (with a duration of confidentiality and non-use obligations as appropriate that is no less than [*] years from the date of disclosure).

8.3 Disclosures to Distributors and Sublicensees. For clarity, Allergan, its Affiliates and its Sublicensees may disclose the Confidential Information of UroGen to its existing or potential Distributors or Sublicensees and their employees, consultants, contractors, advisors (including financial advisors, lawyers and accountants) and others on a need to know basis, for the sole purpose of performing such Sublicensee's or Distributor's obligations or exercising such Sublicensee's or Distributor's rights under the applicable agreement with Allergan or its Affiliate (including, if applicable, in connection with any filing, application or request for Regulatory Approval for the Licensed Products by or on behalf of Allergan or any of its Affiliates or its or their Sublicensees); *provided*, that any such Persons shall be subject to written obligations of confidentiality and non-use with respect to such Confidential Information no less stringent than those set forth in this ARTICLE 8 prior to any such disclosure.

8.4 Registration, Filing and Disclosure of the Agreement.

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8.4.1 The terms of this Agreement are confidential and shall not be disclosed by either Party except pursuant to this Section 8.4.

8.4.2 To the extent a Party determines in good faith that it is required by Applicable Law to publicly file or otherwise disclose the terms of this Agreement with a Governmental Authority, including public filings pursuant to securities laws or the rules of a stock exchange on which the securities of the disclosing Party are listed (or to which an application for listing has been submitted), such disclosing Party shall provide the proposed redacted form of this Agreement to the other Party with a reasonable amount of time prior to filing or disclosure for the other Party to review and approve such redacted form (which approval shall not be unreasonably conditioned, withheld or delayed). The Party making such filing, registration, notification or disclosure shall submit this Agreement in a manner consistent with the agreed redaction and shall use commercially reasonable efforts to seek confidential treatment for the redacted terms, to the extent such confidential treatment is applicable and reasonably available consistent with Applicable Law. Each Party shall be responsible for its own legal and other external costs in connection with any such filing, registration or notification.

8.4.3 Each Party may disclose to potential acquirers, partners and investors, in each case, pursuant to written obligations of confidentiality no less stringent than those set forth in this ARTICLE 8, an agreed redacted version of this Agreement that the Parties shall jointly prepare and use good faith efforts to agree to promptly after the date hereof; *provided*, *however*, that if either Party seeks to disclose the existence and terms of this Agreement or to potential acquirers, partners and investors prior to the Parties' agreeing on a redacted version of this Agreement in a manner not permitted by this Section 8.4, the Party seeking to disclose this Agreement must obtain the other Party's prior written consent before disclosing this Agreement.

8.5 Use of Name. Except as expressly provided herein, neither Party shall mention or otherwise use the name, logo or Trademark of the other Party or any of its Affiliates (or any abbreviation or adaptation thereof) in any publication, press release, marketing and promotional material or other form of publicity without the prior written approval of such other Party in each instance. The restrictions imposed by this Section 8.5 shall not prohibit either Party from making any disclosure identifying the other Party to the extent required (a) in connection with its exercise of its rights or performance of its obligations under this Agreement or (b) by Applicable Law or the rules of a stock exchange on which the securities of the disclosing Party are listed (or to which an application for listing has been submitted).

8.6 Public Announcements. After the Effective Date, the Parties shall jointly issue a press release with respect to this Agreement in the form agreed upon by the Parties, which is attached hereto as Exhibit B, and on the date agreed to by the Parties, and either Party may make subsequent public disclosures of the contents of such press release without further approval of the other Party. Subject to the foregoing, neither Party shall issue any other public announcement, press release or other public disclosure regarding this Agreement or its subject matter without the other Party's prior written consent (such consent not to be unreasonably withheld, conditioned, or delayed), except for any such disclosure that is, in the opinion of the disclosing Party's counsel, required by Applicable Law or the rules of a stock exchange on which the securities of the disclosing Party are listed (or to which an application for listing has

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been submitted). If a Party is, in the opinion of its counsel, required by Applicable Law or the rules of a stock exchange on which its securities are listed (or to which an application for listing has been submitted) to make such a public disclosure, such Party shall submit the proposed disclosure in writing to the other Party as far in advance as reasonably practicable (and in no event less than [*] Business Days prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon. Notwithstanding the foregoing, Allergan and its Affiliates and its and their Sublicensees shall have the right to publicly disclose research, development and commercial information (including with respect to regulatory matters) regarding the Licensed Products; *provided* such disclosure is subject to the provisions of ARTICLE 8 with respect to UroGen's Confidential Information. Neither Party shall be required to seek the permission of the other Party to (i) repeat any information regarding the terms of this Agreement or any amendment hereto that has already been publicly disclosed by such Party or by the other Party accordance with this Section 8.6, (ii) provide non-material updates regarding the activities being performed hereunder, or (iii) provide updates regarding the achievement of any milestone events and any payments owed in connection therewith; *provided* that (x) for disclosures by UroGen described in clause (ii) and (iii) of this sentence, Allergan's consent shall be required prior to such disclosure (such consent not to be unreasonably withheld, conditioned, or delayed), and (y) such information is accurate as of the time of the disclosure, the frequency and form of such disclosure are reasonable, and the disclosure is otherwise at all times subject to the provisions of this ARTICLE 8. Subject to this ARTICLE 8, upon UroGen's request, the Parties shall use good faith efforts to agree upon talking points regarding the status of the activities contemplated under this Agreement reasonably acceptable to Allergan that UroGen may disclose in investors meetings, press or investor conferences, earnings calls, or at other similar events.

8.7 Publications. Allergan may publicly disclose the results of and information regarding activities under this Agreement; *provided*, that Allergan may not disclose UroGen's Confidential Information without UroGen's prior written consent. Prior to publishing any such publication, Allergan shall provide UroGen with drafts of proposed abstracts, manuscripts or summaries of presentations that may reasonably contain UroGen's Confidential Information. UroGen shall promptly, and in any event no later than [*] days after receipt of such proposed publication or presentation or such shorter period as may be required by the publication or presentation, confirm whether any UroGen Confidential Information is contained therein. At UroGen's request, Allergan shall delete any of UroGen's Confidential Information. UroGen shall not, and shall cause each of its Affiliates not to, make any publications or public disclosures regarding the Licensed Products or any Confidential Information of Allergan without Allergan's prior written consent.

8.8 Return of Confidential Information. Following the effective date of the termination of this Agreement for any reason, upon the written request of a Party, the non-requesting Party shall, at the requesting Party's election, either: (a) promptly destroy all copies of such Confidential Information in the possession or control of the non-requesting Party and confirm such destruction in writing to the requesting Party; or (b) promptly deliver to the requesting Party, at the non-requesting Party's sole cost and expense, all copies of such Confidential Information in the possession or control of the non-requesting Party. Notwithstanding the foregoing, the non-requesting Party shall be permitted to retain such

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Confidential Information (x) to the extent necessary or useful for purposes of performing any continuing obligations or exercising any ongoing rights hereunder and, in any event, a single copy of such Confidential Information for archival purposes and (y) any computer records or files containing such Confidential Information that have been created solely by such non-requesting Party's automatic archiving and back-up procedures, to the extent created and retained in a manner consistent with such non-requesting Party's standard archiving and back-up procedures, but not for any other uses or purposes. All Confidential Information shall continue to be subject to the terms of this Agreement for the period set forth in Section 8.1.

8.9 Privileged Communications. In furtherance of this Agreement, it is expected that the Parties will, from time to time, disclose to one another privileged communications with counsel, including opinions, memoranda, letters and other written, electronic and verbal communications. Such disclosures are made with the understanding that they shall remain confidential in accordance with this ARTICLE 8, that they will not be deemed to waive any applicable attorney-client or attorney work product or other privilege and that they are made in connection with the shared community of legal interests existing between Allergan and UroGen, including the community of legal interests in avoiding infringement of any valid, enforceable patents of Third Parties and maintaining the validity of the Agreement Patents and UroGen Patents. In the event of any litigation (or potential litigation) with a Third Party related to this Agreement or the subject matter hereof, the Parties shall, upon either Party's request, enter into a reasonable and customary joint defense agreement. In any event, each Party shall consult in a timely manner with the other Party before engaging in any conduct (e.g., producing information or documents) in connection with litigation or other proceedings that could conceivably implicate privileges maintained by the other Party. Notwithstanding anything contained in this Section 8.9, nothing in this Agreement shall prejudice a Party's ability to take discovery of the other Party in disputes between them relating to this Agreement and no information otherwise admissible or discoverable by a Party shall become inadmissible or immune from discovery solely by this Section 8.9.

ARTICLE 9
REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 Mutual Representations and Warranties. UroGen and Allergan each represents and warrants to the other, as of the Effective Date, and covenants, that:

9.1.1 It is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver, and perform this Agreement.

9.1.2 The execution and delivery of this Agreement and the performance by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action, and do not violate: (a) such Party's charter documents, bylaws, or other organizational documents; (b) in any material respect, any agreement, instrument, or contractual obligation to which such Party is bound; (c) any requirement of any Applicable Law; or (d) any order, writ, judgment, injunction, decree, determination, or award of any court or Governmental Authority presently in effect applicable to such Party.

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9.1.3 This Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms and conditions, subject to the effects of bankruptcy, insolvency, or other laws of general application affecting the enforcement of creditor rights, judicial principles affecting the availability of specific performance, and general principles of equity (whether enforceability is considered a proceeding at law or equity).

9.1.4 It is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement, or that would impede the diligent and complete fulfillment of its obligations hereunder or thereunder.

9.1.5 Neither it nor any of its Affiliates (nor with respect to UroGen, to the knowledge of UroGen, any Person involved in the research or Development of the RTGel Product or a Licensed Product prior to the Effective Date) has been debarred or is subject to debarment and neither it nor any of its Affiliates will use in any capacity, in connection with the activities to be performed under this Agreement, any Person who has been debarred pursuant to Section 306 of the FFDCA or who is the subject of a conviction described in such section. It agrees to inform the other Party in writing promptly if it or any such Person who is performing activities hereunder or thereunder is debarred or is the subject of a conviction described in Section 306 or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to its or its Affiliates' knowledge, is threatened, relating to the debarment or conviction of it or any such Person performing activities hereunder or thereunder.

9.2 Additional Representations and Warranties of UroGen. UroGen further represents and warrants to Allergan, as of the Effective Date:

9.2.1 All UroGen Patents Controlled by UroGen as of the Effective Date, as applicable (the "**Existing Patents**") are listed on Schedule 9.2.1. All issued patents included in the Existing Patents (a) are (i) to UroGen's knowledge, subsisting and are not invalid or unenforceable, in whole or in part and (ii) solely and exclusively owned or Controlled by UroGen, free of any encumbrance, lien or claim of ownership by any Third Party and (b) have been prosecuted, filed and maintained in accordance with Applicable Law and all applicable fees have been paid on or before the due date for payment. With respect to any pending applications included in the Existing Patents, such applications are being diligently prosecuted in the respective patent offices in the Territory in accordance with Applicable Law and UroGen and its Affiliates have presented all relevant references, documents, and information of which it or the inventors are aware to the relevant patent examiner at the relevant patent office.

9.2.2 True, complete and correct copies of the file wrappers and other documents and materials relating to the prosecution, defense, maintenance, validity and enforceability of the Existing Patents have been provided or made available to Allergan prior to the Effective Date.

9.2.3 The UroGen Product Agreements existing as of the Effective Date are listed on Schedule 9.2.3.

[*] = 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.

9.2.4 The Existing Patents represent all Patents that UroGen or its Affiliates own or Control relating to (a) the RTGel Product or (b) the Exploitation of the Licensed Products. To UroGen's knowledge, there is no Information owned by or otherwise in the possession or control of UroGen or any of its Affiliates that relates to (x) the RTGel Product that is necessary or useful for the Exploitation of the Licensed Products or (y) the Exploitation of the Licensed Products, in each case that is not within the UroGen Know-How.

9.2.5 No rights or licenses are required under the Existing Patents or UroGen Know-How for Allergan to research, develop, manufacture, use (including in the Exploitation of the Licensed Products) and import the RTGel Product as contemplated herein other than those granted under Section 2.1.

9.2.6 UroGen or one of its Affiliates is the sole and exclusive owner of the entire right, title and interest of all Existing Patents. UroGen or one of its Affiliates Controls all Information used on or behalf of UroGen in connection with the Development of the RTGel Product and the Licensed Products that is reasonably necessary or useful for Development of the Licensed Product.

9.2.7 Schedule 9.2.7 sets forth a list of all agreements to which UroGen or any of its Affiliates is a party that relate to the UroGen Patents, the UroGen Know-How, or the Licensed Products, including any clinical research or master services agreements, other than customary forms of non-disclosure agreements, inventor agreements or policies ("**Existing Agreements**").

9.2.8 Except as set forth on Schedule 9.2.7, neither UroGen nor any of its Affiliates has previously entered into any agreement on or prior to the Effective Date, whether written or oral, to assign, transfer, license, convey or otherwise encumber its right, title or interest in or to the Existing Patents, UroGen Know-How, the Licensed Products or the RTGel Product (including by granting any covenant not to sue with respect thereto) that is inconsistent with or would otherwise diminish the rights and licenses granted to Allergan under this Agreement.

9.2.9 There is no claim or litigation pending or claim that was previously asserted in writing against UroGen or any of its Affiliates (and UroGen has no knowledge of any claim, whether or not pending or asserted) by any Person alleging that (a) the Existing Patents are invalid or unenforceable or (b) (i) the conception, development, reduction to practice, disclosing, copying, making, assigning or licensing of the Existing Regulatory Documentation, the Existing Patents or the UroGen Know-How, (ii) the research, development, manufacture, use or import of the RTGel Product or (iii) the Exploitation of the Licensed Products, in each case as contemplated herein, violates, infringes, constitutes misappropriation or otherwise conflicts or interferes with, or would violate, infringe or otherwise conflict or interfere with, any intellectual property or proprietary right of any Person.

9.2.10 Except as set forth on Schedule 9.2.10 there are no amounts that will be required to be paid to a Third Party under any Existing Agreement as a result of the Exploitation of the Licensed Products.

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9.2.11 UroGen has disclosed to Allergan all contracts to which UroGen is a party that are in effect with any Third Party related to the Existing Patents or Licensed Products.

9.2.12 To UroGen's knowledge, (a) no Person is infringing or threatening to infringe or misappropriating or threatening to misappropriate the Existing Patents, the UroGen Know-How, or the Existing Regulatory Documentation and (b) neither Allergan's research, development, manufacture, use or import of the RTGel Product in the Exploitation of Licensed Products nor Allergan's use of the Existing Patents in its Exploitation of the Licensed Products as contemplated herein will infringe any Patent or other intellectual property or proprietary right of any Person.

9.2.13 To UroGen's knowledge, each of the Existing Patents properly identifies each and every inventor of the claims thereof as determined in accordance with the laws of the jurisdiction in which such Existing Patent is issued.

9.2.14 To UroGen's knowledge, (a) each Person who has or has had any rights in or to any UroGen Patents or any UroGen Know-How, has assigned and has executed an agreement assigning its entire right, title, and interest in and to such UroGen Patents and UroGen Know-How to UroGen, and (b) no current officer, employee, agent, or consultant of UroGen or any of its Affiliates is in violation of any term of any assignment or other agreement regarding the protection of Patents or other intellectual property or proprietary Information of UroGen or such Affiliate or of any employment contract relating to the relationship of any such Person with UroGen.

9.2.15 With respect to any Information or other materials required to be transferred to Allergan pursuant to this Agreement, UroGen has the rights to transfer all such Information and materials to Allergan and to grant Allergan the right to use such rights and Information in the research, development, manufacture, use and import of the RTGel Product and to Exploit the Licensed Products, each as contemplated hereunder.

9.2.16 Except as provided on Schedule 9.2.16, the inventions Covered by the Existing Patents (a) were not conceived, discovered, developed or otherwise made in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof and (b) are not a "subject invention" as that term is described in 35 U.S.C. Section 201(e) and (c) are not otherwise subject to the provisions of the Bayh-Dole Act.

9.2.17 UroGen has made available to Allergan all material UroGen Know-How and other Information that is applicable to the Licensed Product or RTGel Component in its Control and all such UroGen Know-How and such Information are true, complete and correct in all material respects. Without limiting the foregoing, UroGen has disclosed to Allergan all material information regarding the safety or efficacy of the Licensed Product and the RTGel Component.

9.2.18 All of UroGen's and its Affiliate's employees and offices involved in the development or creation of any material UroGen Know-How have been obligated to maintain the confidentiality such UroGen Know-How and, to UroGen's knowledge, any UroGen Know-

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How that would reasonably be expected to be confidential or proprietary information has, been kept confidential by UroGen and its Affiliates and its and their respective employees and officers, or has been disclosed to Third Parties who are under an obligation to keep such UroGen Know-How confidential. To the knowledge of UroGen, no breach of such confidentiality has been committed by any Third Party.

9.2.19 All Regulatory Documentation generated, prepared, maintained, and retained by UroGen or its Affiliates with respect to the Licensed Product or, to the extent such is necessary or useful for the Exploitation of the Licensed Product, the RTGel Product has been maintained or retained pursuant to and in accordance with good laboratory and clinical (if applicable) practice and Applicable Law, and all such information is true, complete and correct. Neither UroGen nor any of its Affiliates, nor any of its or their respective officers, employees or agents has (a) committed an act, (b) made a statement or (c) failed to act or make a statement, in any case ((a), (b) or (c)), that (x) would be or create an untrue statement of material fact or fraudulent statement to the FDA or any other Regulatory Authority with respect to the Exploitation of the Licensed Products or the RTGel Product or (y) could reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery and Illegal Gratuities", set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereto or any analogous laws or policies in the Territory, with respect to the Exploitation of the Licensed Products or the RTGel Product.

9.2.20 UroGen and its Affiliates have conducted all Development of the Licensed Products in accordance with any applicable good laboratory and clinical practice and Applicable Law.

9.2.21 To UroGen's knowledge, no officer, employee, agent or consultant of UroGen or any of its Affiliates has or had at any time any obligation to assign or otherwise grant a Third Party any right, title or interest to any Information, RTGel Improvement or invention (or any Patent or other intellectual property right with respect to any such Information, RTGel Improvement or invention) conceived, discovered, developed or made by such officer, employee, agent or consultant in its capacity as an officer, employee, agent or consultant of UroGen or any of its Affiliates which Information, RTGel Improvement or invention would be UroGen Patents or UroGen Know-How but for such assignment or grant. To UroGen's knowledge, no current employee of UroGen or any of its Affiliates who conducts or manages any research or development activities or is otherwise involved in generating any Information, such RTGel Improvement or invention (or any Patent or other intellectual property right with respect to any such Information, such RTGel Improvement or invention) that would be UroGen Know-How or UroGen Patents if Controlled by UroGen is or has been, and no former employee of UroGen or any of its Affiliates who was employed by UroGen or any of its Affiliates and conducted or managed any research or development activities or was otherwise involved in generating any Information, such RTGel Improvement or invention (or any Patent or other intellectual property right with respect to any such Information, such RTGel Improvement or invention) that would be UroGen Know-How or UroGen Patents if Controlled by UroGen was, during his or her employment by UroGen or any of its Affiliates, a consultant for or an employee of a Third Party.

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9.2.22 There is no claim or litigation pending or claim that was previously asserted in writing against UroGen or any of its Affiliates (and UroGen has no knowledge of any claim, whether or not pending or asserted) by any Person alleging that the Licensed Marks violate, infringe, constitute misappropriation or otherwise conflict or interfere with, or would violate, infringe or otherwise conflict or interfere with, any intellectual property or proprietary right of any Person.

9.2.23 Except as provided on Schedule 9.2.23, there is no Patent Controlled by UroGen or its Affiliates that has one or more claims that Cover a Toxin.

9.3 Additional Representation of Allergan. As of the Effective Date, neither Allergan nor its Affiliates is researching, developing, manufacturing, commercializing or otherwise exploiting any [*].

9.4 Covenants of UroGen. As of the Effective Date, UroGen covenants as follows:

9.4.1 UroGen and its Affiliates will Manufacture and supply the RTGel Component to Allergan under this Agreement in accordance with Applicable Law, including cGMP.

9.4.2 Neither UroGen nor any of its Affiliates will enter into any agreement, whether written or oral, to assign, transfer, license, convey or otherwise encumber its right, title or interest in or to the Existing Patents, UroGen Know-How, the Licensed Products or the RTGel Component (including by granting any covenant not to sue with respect thereto) that is inconsistent with or would otherwise contravene the rights and licenses granted to Allergan under this Agreement; *provided*, that UroGen's assignment of its rights or delegation of its obligations under this Agreement as permitted under Section 12.3 shall not in itself constitute a violation of this covenant. Without limiting the foregoing, UroGen shall not and shall cause its Affiliates not to (a) commit any acts or permit the occurrence of any omissions that would be a material breach of any Existing Agreement, or that would reasonably be expected to enable any other party to any Existing Agreement to terminate such Existing Agreement or (b) amend or otherwise modify or permit to be amended or modified any Existing Agreement in a manner that would reasonably be expected to adversely affect the rights and licenses granted by UroGen to Allergan under this Agreement without Allergan's prior written consent, such consent not to be unreasonably conditioned, withheld or delayed.

9.5 DISCLAIMER OF WARRANTIES. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES. EACH PARTY UNDERSTANDS AND AGREES THAT THE FOREGOING CONSITITUES A FULL AND COMPLETE DISCLAIMER BY THE OTHER PARTY OF ALL REPRESENTATIONS AND WARRANTIES OTHER THAN THOSE EXPRESSLY PROVIDED HEREIN.

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ARTICLE 10
INDEMNITY

10.1 Indemnification Obligations.

10.1.1 Indemnification of UroGen. Allergan shall indemnify UroGen, its Affiliates and its and their respective directors, officers, employees, and agents (the "**UroGen Indemnitees**"), and defend and save each of them harmless, from and against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**" and each, a "**Loss**") in connection with any and all suits, investigations, claims, or demands of Third Parties (collectively, "**Third Party Claims**") arising from or occurring as a result of:

(a) a breach by Allergan of its obligations, representations or warranties under this Agreement;

(b) any negligence or willful misconduct on the part of any Allergan Indemnitee in performing Allergan's obligations under this Agreement;

(c) the research, development, manufacture, use or import by Allergan or any of its Affiliates or its or their respective Sublicensees of the RTGel Components in the Territory, including the commercialization of the RTGel Components as part of Licensed Products;

(d) the Exploitation by Allergan or any of its Affiliates or its or their respective Sublicensees of any Licensed Product in the Territory; or

(e) the presentation (including the rendition, design, manner, and context of use) of the Licensed Marks in connection with the commercialization of the Licensed Products in the Territory to the extent such presentation is not consistent with the Trademark Standards;

except, in each case ((a) through (e)), for those Losses for which UroGen has an obligation to indemnify any Allergan Indemnitee pursuant to Section 10.1.2, as to which Losses each Party shall indemnify each of the UroGen Indemnitees or Allergan Indemnitees, as applicable, to the extent of its respective liability for such Losses relative to the other Party.

10.1.2 Indemnification of Allergan. UroGen shall indemnify Allergan, its Affiliates and its and their respective directors, officers, employees, and agents (the "**Allergan Indemnitees**"), and defend and save each of them harmless, from and against any and all Losses in connection with any and all Third Party Claims arising from or occurring as a result of:

(a) a breach by UroGen of its obligations, representations or warranties under this Agreement;

(b) any negligence or willful misconduct on the part of any UroGen Indemnitee in performing UroGen's obligations under this Agreement;

(c) the use of UroGen's Licensed Marks in connection with the commercialization of the Licensed Products in the Territory in a manner consistent with the Trademark Standards and as otherwise permitted under this Agreement;

(d) the Exploitation of any RTGel Component or Licensed Product by or on behalf of UroGen in the Territory prior to, or, if any, on or after the Effective Date;

(e) the Exploitation of any Allergan RTGel Improvement by UroGen, its Affiliates, or any of its or their sublicensees; or

(f) the failure of any RTGel Component supplied by UroGen pursuant to Section 5.1 to have been Manufactured (i) in compliance with the applicable specifications with respect thereto or (ii) in compliance with Good Manufacturing Practices and any other Applicable Law; the adulteration or misbranding (within the meaning of the FFDCA) of any RTGel Component supplied by UroGen pursuant to Section 5.1;

except, in each case, for those Losses for which Allergan has an obligation to indemnify any UroGen Indemnitee pursuant to Section 10.1.1, as to which Losses each Party shall indemnify each of the Allergan Indemnitees or the UroGen Indemnitees, as applicable, to the extent of its respective liability for such Losses relative to the other Party.

10.2 Indemnification Procedures.

10.2.1 Notice of Claim. All indemnification claims in respect of an Allergan Indemnitee or a UroGen Indemnitee shall be made solely by Allergan or UroGen, as applicable (each of Allergan or UroGen in such capacity, the "**Indemnified Party**"). The Indemnified Party shall give the Indemnifying Party prompt written notice (an "**Indemnification Claim Notice**") within fifteen (15) Business Days of becoming aware of any Third Party Claim asserted or threatened against an Allergan Indemnitee or a UroGen Indemnitee, as applicable, that could give rise to a right of indemnification under this Agreement, and in no event shall the Indemnifying Party be liable for any Losses to the extent such Losses result from any delay in providing such Indemnification Claim Notice. Each Indemnification Claim Notice must contain a description of the Third Party Claim and the nature and amount of such Loss (to the extent that the nature and amount of such Loss is known at such time). The Indemnified Party shall furnish promptly to the Indemnifying Party copies of all papers and official documents received in respect of any Losses and Third Party Claims.

10.2.2 Control of Defense. Except with respect to any Third Party Claim that is a Third Party Infringement Claim, the process for the defense of which shall be governed by Section 7.5, at its option, the Indemnifying Party may assume the defense of any Third Party Claim by giving written notice to the Indemnified Party within thirty (30) days after the

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Indemnifying Party's receipt of an Indemnification Claim Notice. The assumption of the defense of a Third Party Claim by the Indemnifying Party shall not be construed as an acknowledgment that the Indemnifying Party is liable to indemnify any Allergan Indemnitee or UroGen Indemnitee, as applicable, in respect of such Third Party Claim, nor shall it constitute a waiver by the Indemnifying Party of any defenses it may assert against an Allergan Indemnitee's or UroGen Indemnitee's, as applicable, claim for indemnification. Upon assuming the defense of a Third Party Claim, the Indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the Indemnifying Party. If the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall immediately deliver to the Indemnifying Party all original notices and documents (including court papers) received by any Allergan Indemnitee or UroGen Indemnitee, as applicable, in connection with the Third Party Claim. If the Indemnifying Party assumes the defense of a Third Party Claim, except as provided in Section 10.2.3, the Indemnifying Party shall not be liable to the Indemnified Party for any legal expenses subsequently incurred by such Indemnified Party or any Allergan Indemnitee or UroGen Indemnitee, as applicable, in connection with the analysis, defense or settlement of such Third Party Claim. If it is ultimately determined that the Indemnifying Party is not obligated to indemnify, defend or hold harmless an Allergan Indemnitee or UroGen Indemnitee, as applicable, from and against a Third Party Claim, the Indemnified Party shall reimburse the Indemnifying Party for any and all costs and expenses (including attorneys' fees and costs of suit) and any Losses incurred by the Indemnifying Party in its defense of such Third Party Claim.

10.2.3 Right to Participate in Defense. Except with respect to any Third Party Claim that is a Third Party Infringement Claim, the process for the defense of which shall be governed by Section 7.5, any Indemnified Party shall be entitled to participate in, but not control, the defense of a Third Party Claim and to employ counsel of its choice for such purpose; *provided*, *however*, that such employment shall be at the Indemnified Party's sole cost and expense unless (a) the Indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 10.2.2 (in which case the Indemnified Party shall control the defense), or (b) the interests of the Indemnified Party and any Allergan Indemnitee or UroGen Indemnitee, as applicable, on the one hand, and the Indemnifying Party, on the other hand, with respect to such Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of all such Persons under Applicable Law, ethical rules or equitable principles (in which case the Indemnifying Party shall control its defense and the Indemnified Party shall control the defense of the Allergan Indemnitees or the UroGen Indemnitees, as applicable).

10.2.4 Settlement. With respect to any Third Party Claims where the Indemnifying Party has assumed the defense of the Third Party Claim in accordance with Section 10.2.2 that relate solely to the payment of money damages in connection with a Third Party Claim that shall not result in any Allergan Indemnitee or UroGen Indemnitee, as applicable, becoming subject to injunctive or other relief, and as to which the Indemnifying Party shall have acknowledged in writing the obligation to indemnify all Allergan Indemnitees or UroGen Indemnitees, as applicable, hereunder, the Indemnifying Party shall have the sole right to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Third Party Claim, on such terms as the Indemnifying Party, in its sole discretion, shall deem appropriate; *provided*, *however*, that the Indemnifying Party may not enter into any compromise

or settlement unless such compromise or settlement includes as an unconditional term thereof, the giving by each claimant or plaintiff to the Indemnified Party and all Allergan Indemnitees or UroGen Indemnitees, as applicable, of a release from all liability in respect of such Third Party Claim. With respect to all other Third Party Claims where the Indemnifying Party has assumed the defense of the Third Party Claim in accordance with Section 10.2.2, the Indemnifying Party shall have authority to consent to the entry of any judgment, enter into any settlement or otherwise dispose of such Third Party Claim; *provided*, *however*, that it obtains the prior written consent of the Indemnified Party (which consent shall not be unreasonably conditioned, withheld or delayed). Where the Indemnifying Party has assumed the defense of a Third Party Claim in accordance with Section 10.2.2, the Indemnifying Party shall not be liable for any settlement or other disposition of such Third Party Claim by an Allergan Indemnitee or a UroGen Indemnitee that is reached without the prior written consent of the Indemnifying Party. Regardless of whether the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party shall not, and the Indemnified Party shall ensure, that each Allergan Indemnitee or UroGen Indemnitee, as applicable, does not, admit any liability with respect to or settle, compromise or discharge, any Third Party Claim for which it has or intends to seek indemnification under Section 10.1 without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably conditioned, withheld or delayed).

10.2.5 Cooperation. Regardless of whether the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the Indemnified Party shall, and shall cause each Allergan Indemnitee or UroGen Indemnitee, as applicable, to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the Indemnifying Party to, and reasonable retention by the Indemnified Party and any Allergan Indemnitee or UroGen Indemnitee, as applicable, of, records and information that are reasonably relevant to such Third Party Claim, and making all Allergan Indemnitees or UroGen Indemnitees, as applicable, and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder; *provided*, *however*, that neither Party shall be required to disclose legally privileged information unless and until procedures reasonably acceptable to such Party are in place to protect such privilege, and the Indemnifying Party shall reimburse the Indemnified Party for all its reasonable and verifiable out-of-pocket expenses in connection therewith.

10.2.6 Expenses. Except as provided above, the costs and expenses, including fees and disbursements of counsel, incurred by the Indemnified Party in connection with any claim shall be reimbursed on a Calendar Quarter basis by the Indemnifying Party, without prejudice to the Indemnifying Party's right to contest any Allergan Indemnitee's or UroGen Indemnitee's, as applicable, right to indemnification and subject to refund if the Indemnifying Party is ultimately held not to be obligated to indemnify an Allergan Indemnitee or UroGen Indemnitee, as applicable.

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10.3 Insurance. Each Party shall have and maintain such types and amounts of liability insurance (or self-insurance) to cover liabilities related to its activities under this Agreement as is normal and customary in the pharmaceutical industry generally for Persons similarly situated, and shall upon request provide to the other Party evidence of its insurance coverage. Such policies shall remain in effect throughout the Term and for a period of three (3) years thereafter.

ARTICLE 11
TERM AND TERMINATION

11.1 Term and Expiration. This Agreement shall commence on the Effective Date and, unless earlier terminated in accordance herewith, shall continue in force and effect until the date of expiration of the last Royalty Term for the last Licensed Product (such period, the "**Term**"). Following the expiration of the Royalty Term for a Licensed Product, the grants in Section 2.1 shall become exclusive, fully-paid, royalty-free, perpetual and irrevocable for such Licensed Product in such country. For clarity, upon the expiration of the Term, the grants in Section 2.1 shall become exclusive, fully-paid, royalty-free, perpetual and irrevocable in their entirety.

11.2 Termination.

11.2.1 Material Breach. In the event that a Party materially breaches any of its obligations under this Agreement, in addition to any other right and remedy the other Party may have, the non-breaching Party may terminate this Agreement by providing notice to the other Party by providing [*] days' prior written notice ([*] days' prior written notice if the material breach is a failure to pay an amount due and payable under this Agreement) (such applicable timeframe, the "**Notice Period**"), such notice to specify the breach and the notifying Party's claim of right to terminate; *provided* that (a) the termination shall not become effective at the end of the Notice Period if the breaching Party cures the breach specified in the termination notice during the Notice Period (or, if such default cannot be cured within the Notice Period, if the breaching Party commences material actions to cure such breach within the Notice Period and thereafter diligently continues such actions), (b) if either Party initiates a dispute resolution procedure under Section 12.5.1 within [*] days after delivery of a termination notice to resolve the dispute for which termination is being sought and is diligently pursuing such procedure, the cure period set forth in this Section 11.2.1 shall be tolled and the termination shall become effective (i) with respect to any breach that is capable of being cured, if the breaching Party does not implement the remedy for such breach determined by the Arbitrators through such dispute resolution procedure within the timeframe established by the Arbitrators or (ii) with respect to any breach that is not capable of being cured, upon the final resolution of the dispute if the Arbitrators grant the terminating Party's request to terminate, and (c) UroGen shall not have the right to terminate this Agreement for Allergan's material breach [*]; *provided*, that in event of subsection (c), if UroGen would otherwise have the right to terminate this Agreement pursuant to this Section 11.2.1, any and all royalty payment obligations under this Agreement from UroGen to Allergan resulting from the sale of any Oncology Product shall be reduced by [*] to the extent such obligations accrue following the date of UroGen's notice (or, in the event Allergan disputes such allegation of breach, the date such dispute is resolved in UroGen's favor but retroactively applicable to all sales made following the date of UroGen's notice).

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11.2.2 Termination by Allergan. Allergan may terminate this Agreement (a) upon [*] days' prior written notice to UroGen if such notice is given prior to the First Commercial Sale of a Licensed Product in a country in the Territory or (b) upon [*] days' prior written notice to UroGen if such notice is given following the First Commercial Sale of a Licensed Product in a country in the Territory, *provided* that, for clarity and without limiting any other right of Allergan under this Agreement, Allergan shall at all times have the right to suspend or discontinue the use of any Licensed Product for bona fide safety or efficacy concerns immediately upon Allergan's delivery to UroGen of a notice of termination under this Section 11.2.2.

11.2.3 Termination for Insolvency. In the event that either Party (a) files for protection under bankruptcy or insolvency laws, (b) makes an assignment for the benefit of creditors, (c) appoints or suffers appointment of a receiver or trustee over substantially all of its property that is not discharged within [*] days after such filing, (d) proposes a written agreement of composition or extension of its debts, (e) proposes or is a party to any dissolution or liquidation, (f) files a petition under any bankruptcy or insolvency act or has any such petition filed against that is not discharged within [*] days of the filing thereof or (g) admits in writing its inability generally to meet its obligations as they fall due in the general course, then the other Party may terminate this Agreement in its entirety effective immediately upon written notice to such Party.

11.2.4 Alternative to Termination. Without limitation of any other remedy that may be available to Allergan hereunder, if Allergan has the right under Section 11.2.1 to terminate this Agreement (which, if UroGen disputes Allergan's termination right pursuant to Section 11.2.1, shall be after final resolution pursuant to Section 12.5 that UroGen has materially breached one or more of its obligations under this Agreement), but elects by written notice to UroGen to not exercise such right and continue this Agreement, this Agreement shall continue in full force and effect, except that all milestone and royalty payment obligations under this Agreement from Allergan to UroGen shall be reduced by [*] to the extent such obligations accrue following the date of Allergan's notice of its right to terminate under Section 11.2.1 (or, in the event UroGen disputes such allegation of breach, the date such dispute is resolved in Allergan's favor but retroactively applicable to all payments accrued following the date of Allergan's notice of its right to terminate).

11.2.5 Termination for Patent Challenge. If Allergan or any of its Affiliates or Sublicensees challenges under any court action or proceeding, or before any patent office, the validity, patentability or enforceability of any UroGen Patent, or initiates a reexamination of any UroGen Patent, or assists any Third Party to conduct any of the foregoing activities (each, a **"Patent Challenge"**) and such Patent Challenge is not required under a court order or subpoena and is not a defense against a claim, action or proceeding asserted by UroGen, its Affiliates or licensees against Allergan, its Affiliates or Sublicensees, UroGen may immediately terminate this Agreement; *provided*, *however*, that UroGen may not terminate this Agreement if such Patent Challenge is brought by a Sublicensee and Allergan or its Affiliate terminates such Sublicensee's sublicense to the UroGen Patent within [*] days of UroGen providing notice to Allergan regarding such Patent Challenge. Allergan shall notify UroGen at least [*] days prior to Allergan's initiation of any Patent Challenge.

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11.2.6 Ongoing Clinical Trials. If at the time Allergan provides notice of termination pursuant to Section 11.2.2 or upon UroGen's termination pursuant to Section 11.2.1, Section 11.2.3, or Section 11.2.5, there are ongoing Clinical Trials being conducted by or on behalf of Allergan (or its Affiliate or Sublicensee), then Allergan shall terminate such Clinical Trial as permitted by Applicable Law and shall be responsible for the diligent, ethical and orderly wind-down of the Clinical Trials in accordance with Applicable Law and the instructions of any applicable Regulatory Authority. Allergan shall endeavor to complete any such termination within [*] days of the relevant notice of termination and shall provide to UroGen a final clinical study report for any such terminated Clinical Trial no later than [*] months following the date of such Clinical Trial's termination.

11.3 Rights in Bankruptcy. All rights and licenses granted under or pursuant to this Agreement by Allergan or UroGen are and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that the Parties, as licensees of such rights under this Agreement, shall retain and may fully exercise all of their rights and elections under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against either Party under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the Party that is not a Party to such proceeding shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, which, if not already in the non-subject Party's possession, shall be promptly delivered to it (a) upon any such commencement of a bankruptcy proceeding upon the non-subject Party's written request therefor, unless the Party subject to such proceeding elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under clause (a) above, following the rejection of this Agreement by or on behalf of the Party subject to such proceeding upon written request therefor by the non-subject Party. The Parties acknowledge and agree that payments made under Section 6.1 shall not (x) constitute royalties within the meaning of Section 365(n) of the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction or (y) relate to licenses of intellectual property hereunder.

11.4 Consequences of Termination.

11.4.1 Termination in its Entirety. In the event of a termination of this Agreement in its entirety for any reason:

(a) All rights and licenses granted by either Party hereunder shall immediately terminate except that the license granted to UroGen pursuant to Section 2.6.3 shall survive termination of this Agreement.

(b) To the extent that Allergan or its Affiliates holds any Regulatory Documentation or other Information solely and specifically related to the RTGel Product, all of Allergan's and its Affiliates' rights, title and interests therein, shall be assigned and transferred to UroGen or its designee. To the extent that Allergan or its Affiliates holds any Regulatory

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Documentation or other Information that relate to the RTGel Product but are not solely and specifically related to the RTGel Product and Allergan has, in writing, granted UroGen or its designee a right of reference to such Regulatory Documentation or other Information during the Term, such right of reference will continue to the extent necessary or useful for UroGen or its Affiliates to exploit the RTGel Product after the effective date of termination unless otherwise agreed by the Parties.

(c) Unless the termination of this Agreement is by UroGen pursuant to Section 11.2.1, UroGen shall reimburse Allergan with respect to all documented, reasonable out-of-pocket costs and expenses actually incurred by Allergan in connection with carrying out its obligations under this Section 11.4.1.

11.4.2 Remedies. Except as otherwise expressly provided herein, termination of this Agreement in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

11.5 Accrued Rights; Surviving Obligations.

11.5.1 Termination or expiration of this Agreement (either in its entirety or with respect to one (1) or more country(ies)) for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration; *provided* that in no event shall UroGen accrue any rights to, and Allergan shall have no obligation to make, any milestone payment under Section 6.2 based on any milestone event that occurs on or after the date of delivery by either Party of any termination notice with respect to such Licensed Product. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement. Without limiting the foregoing, ARTICLE 1 (to the extent defined terms are contained in the following surviving Articles and Sections), Section 2.1 (to the extent set forth in Section 11.1), Section 2.3, Section 2.4, Section 2.6.3, Section 3.1.5, Section 3.2.2, Section 3.2.3, ARTICLE 6 (solely with respect to those payments that accrued prior to the effective date of termination or expiration), Section 7.1, ARTICLE 8, Section 9.5, ARTICLE 10 (with respect to any matter, fact or circumstance arising or existing prior to the termination or expiration of this Agreement), Section 11.1, Section 11.4, this Section 11.5.1, Section 12.1, Section 12.4, Section 12.5, Section 12.6, Section 12.7, Section 12.10, Section 12.11, Section 12.13, Section 12.14 and Section 12.16 of this Agreement shall survive the termination or expiration of this Agreement for any reason.

11.5.2 Notwithstanding the termination of Allergan's licenses and other rights under this Agreement, Allergan shall have the right for [*] after the effective date of such termination to sell or otherwise dispose of all Licensed Products then in its inventory and any in-progress inventory, as though this Agreement had not terminated and such sale or disposition shall not constitute infringement of UroGen's or its Affiliates' Patent or other intellectual property or other proprietary rights. For the avoidance of doubt, Allergan shall continue to make payments thereon as provided in Section 6.3.1 as if this Agreement had not terminated.

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ARTICLE 12
MISCELLANEOUS

12.1 Force Majeure. Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, hurricanes, embargoes, shortages, epidemics, quarantines, war, acts of war (whether war be declared or not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any governmental authority (except to the extent such delay results from the breach by the non-performing Party or any of its Affiliates of any term or condition of this Agreement) (each, a **"Force Majeure Event**"). The non-performing Party shall notify the other Party of such Force Majeure Event within thirty (30) days after such occurrence by giving written notice to the other Party stating the nature of the Force Majeure Event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use commercially reasonable efforts to remedy its inability to perform. Notwithstanding the foregoing, a Force Majeure Event shall not excuse a Party from any payment obligations.

12.2 Export Control. This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States or other countries that may be imposed on the Parties from time to time. Each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other Governmental Authority in accordance with Applicable Law.

12.3 Assignment. Neither Party may assign its rights or, except as provided in Section 3.1.3 or Section 4.6, delegate its obligations under this Agreement, whether by operation of law or otherwise, in whole or in part without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, except that (a) Allergan shall have the right, without such consent, to assign any or all of its rights and delegate any or all of its obligations hereunder to any of its Affiliates or to any successor in interest (whether by merger, acquisition, asset purchase or otherwise) to all or substantially all of the business to which this Agreement relates and (b) UroGen shall have the right, without such consent, to assign any or all of its rights and delegate any or all of its obligations hereunder to any of its Affiliates or to any successor in interest (whether by merger, acquisition, asset purchase or otherwise) to all or substantially all of the business to which this Agreement relates; *provided* that if either Party assigns this Agreement to an Affiliate or a successor in interest, then (i) such assigning Party shall provide written notice to the other Party of any such assignment and (ii) with respect to any assignment to a successor in interest, such assigning Party shall require such successor in interest (and its Affiliates) to adopt reasonable procedures to be agreed upon in writing to restrict access to Confidential Information of the other Party to those persons

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who had access to Confidential Information prior to such assignment, unless additional access is expressly permitted by the other Party. Any permitted successor of a Party or any permitted assignee of a Party's rights under this Agreement that has also assumed all of such Party's obligations hereunder in writing shall, upon any such succession or assignment and assumption, be deemed to be a party to this Agreement as though named herein in substitution for the assigning Party, whereupon the assigning Party shall cease to be a party to this Agreement and shall cease to have any rights or obligations under this Agreement. All validly assigned rights of such Party shall inure to the benefit of and be enforceable by, and all validly delegated obligations of Allergan shall be binding on and be enforceable against, the permitted successors and assigns of such Party. Any attempted assignment or delegation in violation of this Section 12.3 shall be void and of no effect.

12.4 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties. To the fullest extent permitted by Applicable Law, each Party hereby waives any provision of law that would render any provision hereof illegal, invalid or unenforceable in any respect.

12.5 Dispute Resolution.

12.5.1 Except as provided in Section 6.9.2 or Section 12.10, if a dispute arises between the Parties in connection with or relating to this Agreement or any document or instrument delivered in connection herewith (a "**Dispute**"), then either Party shall have the right to refer such Dispute to the Senior Officers for attempted resolution by good faith negotiations during a period of [*] Business Days. Any final decision mutually agreed to by the Senior Officers in writing shall be conclusive and binding on the Parties. If such Senior Officers are unable to resolve any such Dispute within such 10-Business Day period, either Party shall be free to institute binding arbitration in accordance with Section 12.5.2 upon written notice to the other Party (an **"Arbitration Notice**") and seek such remedies as may be available.

12.5.2 Upon receipt of an Arbitration Notice by a Party, the applicable Dispute shall be resolved by final and binding arbitration before a panel of three experts with relevant industry experience (the **"Arbitrators**"). Each of UroGen and Allergan shall promptly select one Arbitrator each, which selections shall in no event be made later than [*] days after the notice of initiation of arbitration. The third Arbitrator shall be chosen promptly by mutual agreement of the Arbitrator chosen by UroGen and the Arbitrator chosen by Allergan, but in no event later than [*] days after the date that the last of such Arbitrators was appointed. The Arbitrators shall determine what discovery will be permitted, consistent with the goal of reasonably controlling the cost and time that the Parties must expend for discovery; *provided* that the Arbitrators shall

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permit such discovery as they deem necessary to permit an equitable resolution of the dispute. The arbitration shall be administered by [*] (or its successor entity) in accordance with the then current [*], except as modified in this Agreement. The arbitration shall be held in [*], and the Parties shall use reasonable efforts to expedite the arbitration if requested by either Party. The Arbitrators shall, within [*] days after the conclusion of the arbitration hearing, issue a written award and statement of decision describing the essential findings and conclusions on which the award is based, including the calculation of any damages awarded. The decision or award rendered by the Arbitrators shall be final and non-appealable, and judgment may be entered upon it in accordance with Applicable Law in [*] or any other court of competent jurisdiction. The Arbitrators shall be authorized to award compensatory damages, but shall not be authorized to reform, modify or materially change this Agreement or any other agreements contemplated hereunder. Each Party shall bear its own counsel fees, costs, and disbursements arising out of the arbitration described in this Section 12.5.2, and shall pay an equal share of the fees and costs of the Arbitrators and all other general fees related to the arbitration; *provided*, *however*, the Arbitrators shall be authorized to determine whether a Party is the prevailing Party, and if so, to award to that prevailing Party reimbursement for its reasonable counsel fees, costs and disbursements (including expert witness fees and expenses, photocopy charges, or travel expenses), or the fees and costs of the Arbitrators. Unless the Parties otherwise agree in writing, during the period of time that any arbitration proceeding is pending under this Agreement, the Parties shall continue to comply with all those terms and provisions of this Agreement that are not the subject of the pending arbitration proceeding. Nothing contained in this Agreement shall deny any Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding any ongoing arbitration proceeding. All arbitration proceedings and decisions of the Arbitrator under this Section 12.5.2 shall be deemed Confidential Information of both Parties under ARTICLE 8.

12.5.3 To the extent that a Party receives a final award under this Section 12.5, such Party shall have the right to offset any unpaid amount owed by such first Party to the other Party under this Agreement by the amount of such award. Such right to offset shall be in addition to any other rights or remedies available under this Agreement and Applicable Law.

12.5.4 EXCEPT WITH RESPECT TO THE GROSS NEGLIGENCE, INTENTIONAL MISCONDUCT OR FRAUD OF A PARTY OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER ARTICLE 8, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING BUSINESS INTERRUPTION OR LOST PROFITS, WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE; *PROVIDED*, *HOWEVER*, THIS EXCLUSION IS NOT INTENDED TO, NOR SHALL, EXCLUDE ANY AMOUNTS OWED TO A PARTY AS A RESULT OF A THIRD PARTY CLAIM FOR WHICH THE OTHER PARTY HAD AN INDEMNIFICATION OBLIGATION IN ACCORDANCE WITH ARTICLE 10.

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12.6 Governing Law; Service.

12.6.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of [*] excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

12.6.2 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 12.7.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

12.7 Notices.

12.7.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the applicable Party at its respective addresses specified in Section 12.7.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party in accordance with this Section 12.7.1. Such notice shall be deemed to have been given as of the date delivered by hand or transmitted by facsimile (with transmission confirmed) or on the second Business Day (at the place of delivery) after deposit with an internationally recognized overnight delivery service. Any notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter. This Section 12.7.1 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

12.7.2 Address for Notice.

If to Allergan, to:

Allergan Pharmaceuticals International Limited
Clonshaugh Industrial Estate, Coolock,
Dublin 17
Ireland

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

Ropes & Gray LLP
Attn: Marc A. Rubenstein
Prudential Tower
800 Boylston Street
Boston, MA 02199-3600
E-mail: marc.rubenstein@ropesgray.com
Phone: (617) 951-7826

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If to UroGen, to:

UroGen Pharma Ltd.
9 Ha'Ta'asiya St
Ra'anana 4365007, Israel
Attn: Ron Bentsur
Fax: +972-77-4171410
Email: ronb@urogen.com

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

Cooley LLP
One Freedom Square
Reston Town Center
11951 Freedom Drive
Reston, VA 20190-5656 USA
Attn: Kenneth J. Krisko
Fax: (703) 456-8100
Email: kkrisko@cooley.com

12.8 Entire Agreement; Amendments. This Agreement, together with the Schedules attached hereto and thereto, set forth and constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understandings, promises and representations, whether written or oral, with respect thereto are superseded hereby, including the Mutual Confidential Disclosure Agreement between TheraCoat Ltd. and Allergan dated as of August 18, 2015. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth in this Agreement. No amendment, modification, release or discharge of this Agreement shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties. In the event of any inconsistencies between this Agreement and any Schedules or other attachments hereto, the terms of this Agreement shall control.

12.9 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

12.10 Equitable Relief. Each Party acknowledges and agrees that the restrictions set forth in ARTICLE 7 and ARTICLE 8 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions and that any breach or threatened breach of any provision of such Articles may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Articles, the non-breaching Party shall be authorized and entitled to seek from any court of

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competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Each Party hereby waives any requirement that the other (a) post a bond or other security as a condition for obtaining any such relief and (b) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 12.10 is intended or should be construed, to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

12.11 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by Applicable Law or otherwise available except as expressly set forth herein.

12.12 No Benefit to Third Parties. Except as provided in ARTICLE 11, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns and they shall not be construed as conferring any rights on any other Persons.

12.13 Further Assurance. Each Party shall duly execute and deliver or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

12.14 Relationship of the Parties. It is expressly agreed that UroGen, on the one hand, and Allergan, on the other hand, shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither UroGen, on the one hand, nor Allergan, on the other hand, shall have the authority to make any statements, representations or commitments of any kind, or to take any action that will be binding on the other, without the prior written consent of the other Party to do so. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such first Party.

12.15 References. Unless otherwise specified, (a) references in this Agreement to any Article, Section, Exhibit or Schedule shall mean references to such Article, Section, Exhibit or Schedule of this Agreement, (b) references in any Section to any clause are references to such clause of such Section and (c) references to any agreement, instrument or other document in this

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Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto.

12.16 Construction. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, and the word "or" is used in the inclusive sense (and/or). Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including," "include," or "includes" as used herein shall mean including, without limiting the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party.

12.17 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile, PDF format via email or other electronically transmitted signatures and such signatures shall be deemed to bind each Party as if they were original signatures.

{SIGNATURE PAGE FOLLOWS.}

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THIS AGREEMENT IS EXECUTED by the authorized representatives of the Parties as of the date first written above.

Allergan Pharmaceuticals International Limited

By: /s/ Pat O'Donnell
Name: Pat O'Donnell
Title: Director

UroGen Pharma Ltd.

By: /s/ Ron Bentsur
Name: Ron Bentsur
Title: Chief Executive Officer

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Schedule 1.69
Licensed Marks

Trademark	Country	Status	Appl. Date.	Serial No.
RTGel	US	Pending	1/4/2016	86864261
BOTUGEL	US	Pending	8/21/2016	87145458

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Schedule 1.102
RTGel Product Structure

[*]

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Schedule 9.2.1
Existing Patents

[*]

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Schedule 9.2.3
UroGen Product Agreements

[*]

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Schedule 9.2.7
Existing Agreements

[*]

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Schedule 9.2.10
Exceptions to Section 9.2.10

[*]

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Schedule 9.2.16
Exceptions to Section 9.2.16

[*]

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Schedule 9.2.23
Exceptions to Section 9.2.23

[*]

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EXHIBIT A
Initial Development Plan

Development Activity	Timing	Comments
[*]	[*]	[*]

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EXHIBIT B
Agreed Upon Press Release

UroGen Pharma Announces Agreement to License RTGel™ for Use with Neurotoxins to Allergan

RTGel™ is a hydrogel technology that can be used as a bladder instillation therapy

Raanana, Israel –……. 2016 – UroGen Pharma ("UroGen"), a privately-held, clinical-stage biotechnology company, announced today that it has completed an agreement to license worldwide rights to UroGen's RTGel™ delivery system technology for use with neurotoxins to Allergan plc.

RTGel™ has thermo-sensitive properties that enable it to convert from a liquid state when cold, into a gel once it reaches body temperature. This allows increased residence time of drugs when mixed with the gel and instilled in the bladder. Allergan has agreed to make an upfront payment of $17.5 million, as well as potential development and commercial milestones and royalties on net sales.

"We are excited about this licensing deal. We believe that Allergan is the ideal partner for the RTGel™ technology," said Ron Bentsur, CEO of UroGen. "Under Allergan's robust BOTOX and uro-neurological development and commercial expertise, RTGel™ has the potential to become an important innovation for patients suffering from OAB and related conditions." Mr. Bentsur continued, "We are proud of the accomplishments of our team at UroGen and believe that this deal is testament to our in-house research and drug development capabilities."

Arie Belldgrun, M.D., Chairman of the Board of Directors of UroGen added, "This important collaboration with Allergan, a world leading pharmaceutical company, highlights UroGen's commitment to discover and develop new therapies for urological diseases with unmet clinical needs. We remain excited about our ongoing pipeline, including the upcoming uro-oncology phase III clinical trial of MitoGel for the treatment of upper tract urothelial carcinoma."

About Allergan plc

Allergan plc (NYSE: AGN), headquartered in Dublin, Ireland, is a bold, global pharmaceutical company and a leader in a new industry model—Growth Pharma. Allergan is focused on developing, manufacturing and commercializing branded pharmaceuticals, devices and biologic products for patients around the world.

Allergan markets a portfolio of leading brands and best-in-class products for the central nervous system, eye care, medical aesthetics and dermatology, gastroenterology, women's health, urology and anti-infective therapeutic categories.

Allergan is an industry leader in Open Science, the Company's R&D model, which defines their approach to identifying and developing game-changing ideas and innovation for better patient care. This approach has led to Allergan building one of the broadest development pipelines in the pharmaceutical industry with 65+ mid-to-late stage pipeline programs in development.

[*] = 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.

With commercial operations in approximately 100 countries, Allergan is committed to working with physicians, healthcare providers and patients to deliver innovative and meaningful treatments that help people around the world live longer, healthier lives.

For more information, visit Allergan's website at www.Allergan.com.

About Overactive Bladder and RTGel™

Overactive Bladder (OAB) is a common, often disabling condition associated with considerable negative impact on quality of life. OAB results in an uncontrolled urge to urinate, frequent urination and, in many patients, uncontrollable leakage of urine. Standard first line treatment for OAB is anticholinergic pills, however, the majority of the patients stop taking the pills within one year due to an inadequate response to, or intolerance of, the medication. BOTOX injection into the bladder is approved as second line therapy for OAB and is considered an effective therapeutic option.

Over 30 million in the US alone and 200 million worldwide suffer from this burdensome disease.

About UroGen Pharma

UroGen Pharma is a clinical stage biotechnology company providing advanced non-surgical, local treatments to address unmet needs in the field of urology, with a focus on uro-oncology. The company has developed RTGel, a proprietary sustained release, hydrogel-based formulations for potentially improving the efficacy and safety profiles of existing drugs. UroGen Pharma's sustained release technology enables longer exposure of the urinary tract tissue to medications, making local therapy a potentially more effective treatment option. UroGen's lead product candidates, MitoGel and VesiGel, are designed to potentially remove tumors by non-surgical means, to treat several forms of non-muscle invasive urothelial cancer, including low-grade upper tract urothelial carcinoma, or UTUC, and bladder cancer. UroGen Pharma is headquartered in Israel and also maintains a corporate office in New York City.

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UROGEN PHARMA LTD.

2017 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: [ ], 2017
APPROVED BY THE STOCKHOLDERS: [ ], 2017
IPO DATE/EFFECTIVE DATE: [ ], 2017

1. GENERAL.

(a) Eligible Award Recipients. Employees, Directors and Consultants are eligible to receive Awards.

(b) Available Awards. The Plan provides for the grant of the following types of Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards, (vi) Performance Stock Awards, (vii) Performance Cash Awards, and (viii) Other Stock Awards.

(c) Purpose. The Plan, through the grant of Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and provide a means by which the eligible recipients may benefit from increases in value of the Ordinary Shares.

2. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine: (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Ordinary Shares under the Award; (E) the number of Ordinary Shares subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or the time at which cash or Ordinary Shares may be issued in settlement thereof).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or termination of the Plan will not materially impair a Participant's rights under the Participant's then-outstanding Award without the Participant's written consent.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or bringing the Plan or Awards granted under the Plan into compliance with the requirements for Incentive Stock Options or ensuring that they are exempt from, or compliant with, the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. If required by applicable law or listing requirements (taking into account any permissible and effective opting out by the Company from such requirements), and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of Ordinary Shares available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which Ordinary Shares may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Awards available for issuance under the Plan. Except as otherwise provided in the Plan or an Award Agreement, no amendment of the Plan will materially impair a Participant's rights under an outstanding Award without the Participant's written consent.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of (A) Section 162(m) of the Code regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to Covered Employees, (B) Section 422 of the Code regarding "incentive stock options" and/or (C) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided, however,* that a Participant's rights under any Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Awards without the affected Participant's consent (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code; and/or (D) to comply with other applicable laws or listing requirements.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are not United States nationals or who are employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement that are required for compliance with the laws of the relevant foreign jurisdiction).

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of any outstanding Stock Award and the grant in substitution therefor of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Stock Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of Ordinary Shares as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3.

(d) Delegation to an Officer. The Board may delegate to one (1) or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of Ordinary Shares to be subject to such Stock Awards granted to such Employees; *provided*, *however*, that the Board resolutions regarding such delegation will specify the total number of Ordinary Shares that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine Fair Market Value.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve. Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of Ordinary Shares that may be issued pursuant to Stock Awards will not exceed **[ ]** shares (the "***Share Reserve***"). The Share Reserve will automatically increase on January 1 of each year, for a period of not more than ten years, commencing on January 1 of the year following the year in which the IPO Date occurs and ending on (and including) January 1, 2026, in an amount equal to [ ]% of the total number of Ordinary Shares outstanding on December 31st of the preceding calendar year. Notwithstanding the foregoing, the Board may act prior to January 1 of a given year to provide that there will be no January increase in the Share Reserve for such year or that the increase in the Share Reserve for such year will be a lesser number of Ordinary Shares than would otherwise occur pursuant to the preceding sentence. For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of Ordinary Shares that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may be issued in connection with a merger or acquisition as permitted by NASDAQ Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(b) Reversion of Shares to the Share Reserve. If a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of Ordinary Shares that may be available for issuance under the Plan and the Ordinary Shares relating to such Stock Award (or portion thereof) will again become available for issuance under the Plan. If any Ordinary Shares issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of Ordinary Shares that may be issued pursuant to the exercise of Incentive Stock Options will be [ ] Ordinary Shares.

(d) Section 162(m) Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, at such time as the Company may be subject to the applicable provisions of Section 162(m) of the Code, the following limitations shall apply.

(i) A maximum of [ ] Ordinary Shares subject to Options, SARs and Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date the Stock Award is granted may be granted to any one Participant during any one calendar year. Notwithstanding the foregoing, if any additional Options, SARs or Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date the Stock Award are granted to any Participant during any calendar year, compensation attributable to the exercise of such additional Stock Awards will not satisfy the requirements to be considered "qualified performance-based compensation" under Section 162(m) of the Code unless such additional Stock Award is approved by the Company's stockholders.

(ii) A maximum of [ ] Ordinary Shares subject to Performance Stock Awards may be granted to any one Participant during any one calendar year (whether the grant, vesting or exercise is contingent upon the attainment during the Performance Period of the Performance Goals).

(iii) A maximum of $[ ] may be granted as a Performance Cash Award to any one Participant during any one calendar year.

(e) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Ordinary Shares, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided, however*, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in consultation with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for Ordinary Shares purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided, however*, that each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Ordinary Shares subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower

than 100% of the Fair Market Value of the Ordinary Shares subject to the Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in Ordinary Shares equivalents.

(c) Purchase Price for Options. The purchase price of Ordinary Shares acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of Ordinary Shares;

(iv) if an Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Ordinary Shares issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Ordinary Shares will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(v) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of Ordinary Shares equal to the number of Ordinary Share equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Ordinary Share equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Ordinary Shares, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided in the Plan, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Ordinary Shares or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Ordinary Shares or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) Vesting Generally. The total number of Ordinary Shares subject to an Option or SAR may vest and become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of Ordinary Shares as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date which occurs ninety (90) days following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time frame, the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Ordinary Shares would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the sale of any Ordinary Shares received on exercise of an Option or SAR following the termination of the Participant's

Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of the period of days or months (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Ordinary Shares received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date which occurs 12 months following such termination of Continuous Service (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Award Agreement for exercisability after the termination of the Participant's Continuous Service for a reason other than death, then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date which occurs 18 months following the date of death (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the date of such termination of Continuous Service.

(l) Non-Exempt Employees. If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any Ordinary Shares until at least six months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Award Agreement in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic

Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS AND SARS.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's articles of association, at the Board's election, Ordinary Shares may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Ordinary Shares awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the Ordinary Shares held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire Ordinary Shares under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Ordinary Shares awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(v) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical. Each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of

Ordinary Shares subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Ordinary Shares subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of Ordinary Shares, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the Ordinary Shares (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of Ordinary Shares covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional Ordinary Shares covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award (covering a number of shares not in excess of that set forth in Section 3(d) above) that is payable (including that may be granted, may vest or may be exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may but need not require the Participant's completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance with Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board or the Committee may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award (for a dollar value not in excess of that set forth in Section 3(d) above) that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. At the time of grant of a Performance Cash Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance

with Section 162(m) of the Code, the Board), in its sole discretion. The Board or the Committee may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board or the Committee may specify, to be paid in whole or in part in cash or other property.

(iii) Board and Committee Discretion. The Board and the Committee retain the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for a Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(iv) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to an Award intended to qualify as "performance-based compensation" thereunder, the Committee will establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date which occurs 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such Performance Goals relate solely to the increase in the value of the Ordinary Shares). Notwithstanding satisfaction of, or completion of any Performance Goals, the number of Ordinary Shares, Options, cash or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Goals may be reduced by the Committee on the basis of such further considerations as the Committee, in its sole discretion, will determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Ordinary Shares, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Ordinary Shares at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of Ordinary Shares (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. COVENANTS OF THE COMPANY.

(a) Availability of Shares. The Company will keep available at all times the number of Ordinary Shares reasonably required to satisfy then-outstanding Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell Ordinary Shares upon exercise of the Stock Awards; *provided, however*, that this undertaking will not require the Company to register under the Securities Act the Plan, any Stock Award or any Ordinary Shares issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of

Ordinary Shares under the Plan, the Company will be relieved from any liability for failure to issue and sell Ordinary Shares upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Ordinary Shares pursuant to the Award if such grant or issuance would be in violation of any applicable securities law.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. MISCELLANEOUS.

(a) Use of Proceeds from Sales of Ordinary Shares. Proceeds from the sale of Ordinary Shares pursuant to Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Ordinary Shares subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of Ordinary Shares under, the Award pursuant to its terms, and (ii) the issuance of the Ordinary Shares subject to such Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the articles of association of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any

portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Ordinary Shares with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Ordinary Shares under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that such Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Ordinary Shares subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Ordinary Shares. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Ordinary Shares under the Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Ordinary Shares.

(h) Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding Ordinary Shares from the Ordinary Shares issued or otherwise issuable to the Participant in connection with the Award; *provided*, *however*, that no Ordinary Shares are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Ordinary Shares or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A of the Code. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the Ordinary Shares are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(l) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Ordinary Shares or other cash or property upon the occurrence of an event constituting Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

9. ADJUSTMENTS UPON CHANGES IN ORDINARY SHARES; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Sections 3(d), and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding Ordinary Shares not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the Ordinary Shares subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service; *provided, however*, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Transactions. The following provisions shall apply to Stock Awards in the event of a Transaction unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Transaction, then, notwithstanding any other provision of the Plan, the Board shall take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Ordinary Shares issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Transaction as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five days prior to the effective date of the Transaction), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Transaction;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Stock Award immediately prior to the effective time of the Transaction, over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero ($0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Ordinary Shares in connection with the Transaction is delayed as a result of escrows, earn outs, holdbacks or other contingencies.

The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. PLAN TERM; EARLIER TERMINATION OR SUSPENSION OF THE PLAN.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of (i) the date the Plan is adopted by the Board (the "***Adoption Date***"), or (ii) the date the Plan is approved by the stockholders of the Company. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. EXISTENCE OF THE PLAN; TIMING OF FIRST GRANT OR EXERCISE.

The Plan will come into existence on the Adoption Date; *provided, however*, that no Award may be granted prior to the IPO Date (that is, the Effective Date). In addition, no Stock Award will be exercised (or, in the case of a Restricted Stock Award, Restricted Stock Unit Award, Performance Stock Award, or Other Stock Award, no Stock Award will be granted) and no Performance Cash Award will be settled unless and until the Plan has been approved by the stockholders of the Company, which approval will be within 12 months after the date the Plan is adopted by the Board.

12. CHOICE OF LAW.

The Plan, all determinations made and actions taken pursuant hereto and, except as provided below or in an applicable subplan, each Award Agreement to a Participant shall be governed by the laws of the State of Israel, excluding matters that are subject to tax laws, regulations and rules, or conflicts or choice of law rule or principles, of any specific jurisdiction, which shall be governed by the respective laws, regulations and rules of such jurisdiction.

13. DEFINITIONS. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(b) "***Award***" means a Stock Award or a Performance Cash Award.

(c) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d) "***Board***" means the Board of Directors of the Company.

(e) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Ordinary Shares subject to the Plan or subject to any Stock Award after the Adoption Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(f) "***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; or (v) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Company, in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(g) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, (C) on account of the acquisition of securities of the Company by any individual who is, on the Adoption Date, either an executive officer or a Director (either, a "***Legacy Investor***") and/or any entity in which a Legacy Investor has a direct or indirect interest (whether in the form of voting rights or participation in profits or capital contributions) of more than 50% (collectively, the "***Legacy Entities***") or on account of the Legacy Entities continuing to hold shares that come to represent more than 50% of the combined voting power of the Company's then outstanding securities as a result of the conversion of any class of the Company's securities into another class of the Company's securities having a different number of votes per share pursuant to the conversion provisions set forth in the Company's articles of association; or (D) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar

transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; *provided*, *however*, that a merger, consolidation or similar transaction will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the surviving Entity or its parent are owned by the Legacy Entities;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; *provided*, *however*, that a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the acquiring Entity or its parent are owned by the Legacy Entities;

(iv) the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company will otherwise occur, except for a liquidation into a parent corporation; or

(v) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; *provided*, *however,* that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing definition or any other provision of the Plan, the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company and the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; *provided*, *however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

(h) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i) "***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(j) "***Company***" means UroGen Pharma Ltd., an Israeli corporation.

(k) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(l) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided*, *however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(m) "***Corporate Transaction***" the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the Ordinary Shares outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(n) "***Covered Employee***" will have the meaning provided in Section 162(m)(3) of the Code.

(o) "***Director***" means a member of the Board.

(p) "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(q) "***Effective Date***" means the IPO Date.

(r) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(s) "***Entity***" means a corporation, partnership, limited liability company or other entity.

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

(u) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(v) "***Fair Market Value***" means, as of any date, the value of the Ordinary Shares determined as follows:

(i) If the Ordinary Shares are listed on any established stock exchange or traded on any established market, the Fair Market Value of an Ordinary Share will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Ordinary Shares) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Ordinary Shares on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Ordinary Shares, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(w) "***Incentive Stock Option***" means an option granted pursuant to Section 5 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(x) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Ordinary Shares, pursuant to which the Ordinary Shares are priced for the initial public offering.

(y) "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(z) "***Nonstatutory Stock Option***" means any Option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(aa) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(bb) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase Ordinary Shares granted pursuant to the Plan.

(cc) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(dd) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(ee) "***Ordinary Shares***" means the Ordinary Shares of the Company, par value NIS 0.01 per Ordinary Share.

(ff) "***Other Stock Award***" means an award based in whole or in part by reference to the Ordinary Shares which is granted pursuant to the terms and conditions of Section 6(d).

(gg) "***Other Stock Award Agreement***" means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

(hh) "***Outside Director***" means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year, has not been an officer of the Company or an "affiliated corporation," and does not receive remuneration from the Company or an "affiliated corporation," either directly or indirectly, in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

(ii) "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(jj) "***Participant***" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(kk) "***Performance Cash Award***" means an award of cash granted pursuant to the terms and conditions of Section 6(c)(ii).

(ll) "***Performance Criteria***" means the one or more criteria that the Board or the Committee will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board or the Committee: (i) earnings (including earnings per share and net earnings); (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization; (iv) earnings before interest, taxes, depreciation, amortization and legal settlements; (v) earnings before interest, taxes, depreciation, amortization, legal settlements and other income (expense); (vi) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense) and stock-based compensation; (vii) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation and changes in deferred revenue; (viii) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation, other non-cash expenses and changes in deferred revenue; (ix) total stockholder return; (x) return on equity or average stockholder's equity; (xi) return on assets, investment, or capital employed; (xii) stock price; (xiii) margin (including gross margin); (xiv) income (before or after taxes); (xv) operating income; (xvi) operating income after taxes; (xvii) pre-tax profit; (xviii) operating cash flow; (xix) sales or revenue targets; (xx) increases in revenue or product revenue; (xxi) expenses and cost reduction goals; (xxii) improvement in or attainment of working capital levels; (xxiii) economic value added (or an equivalent metric); (xxiv) market share; (xxv) cash flow; (xxvi) cash flow per share; (xxvii) cash balance; (xxviii) cash burn; (xxix) cash collections; (xxx) share price performance; (xxxi) debt reduction; (xxxii) implementation or completion of projects or processes (including, without limitation, clinical trial initiation, clinical trial enrollment and dates, clinical trial results, regulatory filing submissions, regulatory filing acceptances, regulatory or advisory committee interactions, regulatory approvals, and product supply); (xxxiii) stockholders' equity; (xxxiv) capital expenditures; (xxxv) debt levels; (xxxvi) operating profit or net operating profit; (xxxvii) workforce diversity; (xxxviii) growth of net income or operating income; (xxxix) billings; (xl) bookings; (xli) employee retention; (xlii) initiation of studies by specific dates; (xliii) budget management; (xliv) submission to, or approval by, a regulatory body (including, but not limited to the U.S. Food and Drug Administration) of an applicable filing or a product; (xlv) regulatory milestones; (xlvi) progress of internal research or development programs; (xlvii) acquisition of new customers; (xlviii) customer retention and/or repeat order rate; (xlix) improvements in sample and test processing times; (l) progress of partnered programs; (li) partner satisfaction; (lii) timely completion of clinical trials; (liii) submission of pre-market approvals and other regulatory achievements; (liv) milestones related to research development (including, but not limited to, preclinical and clinical studies), product development and manufacturing; (lv) expansion of sales in additional geographies or markets; (lvi) research progress, including the development of programs; (lvii) strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; and (lviii) and to the extent that an Award is not intended to comply with Section 162(m) of the Code, other measures of performance selected by the Board or the Committee.

(mm) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board or the Committee for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board or the Committee (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the

Performance Goals are established, the Board or the Committee will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of any "unusual or infrequently occurring items" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding Ordinary Shares of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to Ordinary Shareholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; and (12) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item. In addition, the Board or the Committee retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(nn) "***Performance Period***" means the period of time selected by the Board or the Committee over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board or the Committee.

(oo) "***Performance Stock Award***" means a Stock Award granted under the terms and conditions of Section 6(c)(i).

(pp) "***Plan***" means this UroGen Pharma Ltd. 2017 Equity Incentive Plan, as it may be amended.

(qq) "***Restricted Stock Award***" means an award of Ordinary Shares which is granted pursuant to the terms and conditions of Section 6(a).

(rr) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ss) "***Restricted Stock Unit Award***" means a right to receive Ordinary Shares which is granted pursuant to the terms and conditions of Section 6(b).

(tt) "***Restricted Stock Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

(uu) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(vv) "***Securities Act***" means the Securities Act of 1933, as amended.

(ww) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Ordinary Shares that is granted pursuant to the terms and conditions of Section 5.

(xx) "***Stock Appreciation Right Agreement***" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(yy) "***Stock Award***" means any right to receive Ordinary Shares granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award or any Other Stock Award.

(zz) "***Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(aaa) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding ordinary shares having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(bbb) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(ccc) "***Transaction***" means a Corporate Transaction or a Change in Control.

Exhibit 10.7

UROGEN PHARMA LTD.

(the "Company")

2017 ISRAELI EQUITY INCENTIVE SUB PLAN TO THE

2017 EQUITY INCENTIVE PLAN

I. GENERAL

This 2017 Israeli Equity Incentive Sub Plan (the "**Sub-Plan**") is a sub plan to the 2017 Equity Incentive Plan (the "**Plan**") of the Company and set forth are the terms for the grant of awards to Israeli Employees or Israeli Non-Employees (as defined below) whose income is taxable in Israel.

II. DEFINITIONS

1. Any capitalized term not specifically defined in this Sub-Plan shall have the meaning assigned to it in the Plan.

2. As used in this Sub-Plan, the following definitions shall apply:

(a) "***Affiliate***" shall mean an "employing company" within the meaning of Section 102(a) of the Ordinance.

(b) "***Award Agreement***" means a written agreement between the Company and a holder of an award evidencing the terms and conditions of an individual award grant. Each Award Agreement shall be subject to the terms and conditions of the Plan and this Sub-Plan.

(c) "***Capital Gain Option***" means a Trustee 102 Option intended to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) of the Ordinance.

(d) "***Capital Gain Share***" means a Trustee 102 Share intended to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) of the Ordinance.

(e) "***Capital Gain Award***" means Options granted under this Sub-Plan as Capital Gain Option and/or Shares granted under this Sub-Plan as Capital Gain Shares.

(f) "***Controlling Shareholder***" shall have the meaning ascribed to it in Section 32(9) of the Ordinance as amended from time to time.

(g) "***Israeli Employee***" means any employee of the Company or its Affiliate, and any individual who is serving as a *Nose Misra - Office Holder* (as such term is defined in the Israeli Companies' Law, 5759-1999, including directors) of the Company or its Affiliate, but excluding any Controlling Shareholder.

(h) "***Israeli Non-Employee***" means any individual or an entity providing services to the Company or its Affiliate who is not an Israeli Employee.

(i) "***ITA***" means the Israeli Tax Authority.

(j) "***Non-Trustee 102 Option***" means an Option granted to an Israeli Employee pursuant to Section 102(c) of the Ordinance, which is not held in trust by a Trustee.

(k) "***Non-Trustee 102 Share***" means Shares granted to an Israeli Employee pursuant to Section 102(c) of the Ordinance, which is not held in trust by a Trustee.

(l) "***Non-Trustee 102 Award***" means Options granted under this Sub-Plan as Non Trustee 102 Options and Shares granted under this Sub-Plan as Non Trustee 102 Shares.

(m) "***3(i) Option***" means an Option granted pursuant to Section 3(i) of the Ordinance.

(n) "***Option***" means an option and/or a Stock Award granted pursuant to Section 3(i) and/or Section 102 of the Ordinance.

(o) "***Ordinance***" means the Income Tax Ordinance [New Version], 5721, 1961 as now in effect or as hereafter amended.

(p) "***Ordinary Income Option***" means a Trustee 102 Option intended to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.

(q) "***Ordinary Income Share***" means a Trustee 102 Share intended to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.

(r) "***Ordinary Income Award***" means Options granted under this Sub-Plan as Ordinary Income Option and Shares granted under this Sub-Plan as Ordinary Income Shares.

(s) "***Section 102***" means Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter amended.

(t) "***Stock Award***" means a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award or any Other Stock Award, as such terms are defined under the Plan.

(u) "***Trustee***" means any individual or entity appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance and the regulations thereof.

(v) "***Trustee 102 Option***" means an Option granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of an Israeli Employee.

(w) "***Trustee 102 Share***" means Shares granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of an Israeli Employee.

(x) "***Trustee 102 Award***" means Options granted under this Sub-Plan as Trustee 102 Option and/or Shares granted under this Sub-Plan as Trustee 102 Shares.

III. OPTION GRANTS AND SHARE GRANTS

1. Eligibility. The persons eligible to receive awards under this Sub-Plan are Israeli Employees and/or Israeli Non-Employees.

2. Types of Options. The Board shall have the authority to grant an Option under this Sub-Plan classified as (i) a Trustee 102 Option, (ii) a Non-Trustee 102 Option or (iii) a 3(i) Option; provided, however, that a Trustee 102 Option and a Non-Trustee 102 Option may only be granted to an Israeli Employee, and a 3(i) Option shall be granted only to an Israeli Non-Employee.

3. Types of Shares. The Board shall have the authority to grant Shares under this Sub-Plan classified as (i) a Trustee 102 Share, or (ii) a Non-Trustee 102 Share; provided, however, that a Trustee 102 Share and a Non-Trustee 102 Share shall only be granted to an Israeli Employee.

4. Trustee 102 Award.

(a) The grant of Trustee 102 Awards under this Sub-Plan shall be conditioned upon the filing of this Sub-Plan and the Trustee by the ITA, and the filing of the Company's Election (as defined below) with the ITA at least thirty (30) days before the first date of grant of Awards under this Sub-Plan. The grant of 102 Trustee Award shall be in accordance with the terms and conditions of Section 102.

(b) The Company may grant at any single time only one type of Trustee 102 Award, either Capital Gain Award or Ordinary Income Award (the "**Election**"). The Company shall file its Election with the ITA. The Election shall apply to any Israeli Employee who has been granted a Trustee 102 Award. The first Election shall become effective as of the date of grant of the first Trustee 102 Award granted under this Sub-Plan and shall remain in effect at least until the end of the year following the year during which the Company first granted a Trustee 102 Award. The Company may not be entitled to change its election at least until the lapse of a year from the end of the year in which the first Trustee 102 Award was granted pursuant to the prior Election.

(c) Such Election shall not prevent the Company from granting Non-Trustee 102 Award to Israeli Employees or 3(i) Options to Israeli Non-Employees simultaneously.

(d) All Trustee 102 Awards will be held in trust by a Trustee, as described in Section IV below.

5. Non-Trustee 102 Award. The granting of a Non-Trustee 102 Award to an Israeli Employee shall be made in accordance with the provisions of Section 102(c) of the Ordinance. With respect to Non-Trustee 102 Awards or other awards which are deemed as Non-Trustee 102 Awards, in the event of termination of Israeli Employee's engagement with the Company or any of its Affiliates, then the Israeli Employee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax and/or social security and Health Tax charges due at the time of sale of Non-Trustee 102 Award, all in accordance with the provisions of Section 102.

6. 3(i) Option. The Company may grant 3(i) Options to any person who is an Israeli Non-Employee.

IV. TRUSTEE

1. Appointment of Trustee. A Trustee shall be appointed by the Board to administer each Trustee 102 Award in accordance with the provisions of Section 102 and pursuant to a written agreement to be entered into between the Trustee and the Company (the "**Trust Agreement**").

2. Grants of Trustee 102 Award. All Trustee 102 Awards granted under this Sub-Plan as well as Shares allocated or issued upon exercise of such Trustee 102 Award and/or bonus Shares and/or any rights granted with respect to such Trustee 102 Award, shall be registered and held by the Trustee for the benefit of the Israeli Employee for the requisite period of time as required by Section 102 or any regulations, rules, orders or procedures promulgated thereunder (the "**Holding Period**"). The Trustee shall be exempt from any liability in respect of any action or decision duly taken in its capacity as a Trustee, provided, however, that the Trustee acted at all times in good faith.

3. Grant of 3(i) Option. The Board may choose to deposit a 3(i) Option with the Trustee. In such event, the Trustee shall hold such 3(i) Option in trust, until exercised by the Optionholder, pursuant to the Company's instructions from time to time.

4. Release of Awards. The Trustee shall not release any Trustee 102 Award granted under this Sub-Plan as well as Shares allocated or issued upon exercise of such Trustee 102 Award and/or bonus Shares and/or any rights granted with respect to such Trustee 102 Award, until all required payments have been fully made: (i) the receipt by the Trustee of an acknowledgment from the ITA that the Israeli Employee has paid any applicable tax due pursuant to the Ordinance, or (ii) the Company has made other arrangements for the deduction of tax at source acceptable to the Trustee.

V. THE HOLDING PERIOD REQUIREMENT

1. Holding Period Requirements.

(a) Trustee 102 Awards may not be sold, transferred, assigned, pledged, given as collateral, or mortgaged (other than through a transfer by will or by operation of law), nor may they be subject of an attachment, seizure power of attorney or transfer deed (other than a power of attorney for the purpose of participation in Shareholders meetings or voting such Shares) unless Section 102 and/or the regulations, rules, orders or procedures promulgated thereunder and the Plan allow otherwise.

(b) With respect to any awards granted as a Trustee 102 Award, and subject to the provisions of Section 102, an Israeli Employee shall not be entitled to sell or release from trust any Trustee 102 Award, Share received upon the exercise of any such Trustee 102 Option and/or bonus Shares granted with respect to such Trustee 102 Award, until the lapse of the Holding Period and in accordance with Section 102. Notwithstanding the above, if any such sale or release occurs during the Holding Period it will result in adverse tax consequences to the Israeli Employee under Section 102 of the Ordinance and the Rules, which shall apply to and shall be borne solely by such Israeli Employee.

2. Trustee 102 Award Requirements. In the event that the requirements of Section 102 with respect to a Trustee 102 Award are not met, then it shall be treated in accordance with the provisions of Section 102 and any regulations promulgated thereunder.

3. Award Agreement. Upon receipt of a Trustee 102 Award, an Israeli Employee shall sign an Award Agreement under which the Israeli Employee shall, among others, (i) agree to be subject to the trust agreement between the Company and the Trustee; (ii) declare that he/she understands the provisions of Section 102 and the applicable tax track applies to the Trustee 102 Award and approve the applicable tax arrangement; and (iii) confirm that he/she shall neither sell nor transfer the Trustee 102 Award from the Trustee until the lapse of the Holding Period.

VI. DIVIDENDS

Any dividends payable with respect to Shares acquired upon exercise of an Option or Shares issued under the Sub-Plan and the Plan shall also be subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

VII. TAX CONSEQUENCES

1. Israeli Employee.

(a) Any tax consequences arising from the grant of an award or exercise of any Option, or from the sale or release or transfer of such Option or Shares (including, without limitation, the Israeli Employee's social security taxes and health insurance, if applicable) or from any other event or act (of the Company and/or its Affiliate, the Trustee or the Israeli Employee), shall be borne solely by the Israeli Employee. Notwithstanding the foregoing, the Company and/or its Affiliate and/or the Trustee shall withhold taxes according to the requirements under the laws, rules, and regulations, including withholding taxes at source under Section 102.

(b) Furthermore, the Israeli Employee shall indemnify the Company and/or Affiliate that employs the Israeli Employee and/or the Company's Shareholders and/or directors and/or officers if applicable, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Israeli Employee.

(c) The Company shall not be obligated to honor the exercise of any Option by or on behalf of an Israeli Employee until all tax consequences (if any) arising from the exercise of such Options or sale of Shares are resolved to the full satisfaction of the Company. Without derogating from the above, the Company and/or the Trustee when applicable shall not be required to release any Share certificate to an Israeli Employee until all required payments (including tax payments) have been fully made in accordance with Section 102.

(d) If at the date of grant the Company's Shares are listed on any established stock exchange or a national market system or if the Company's Shares will be registered for trading within ninety (90) days following the date of grant, the taxable income shall be calculated in accordance with Section 102(b)(3).

2. Israeli Non-Employee. Any tax consequences arising from the grant or exercise of any Option or grant of Shares, or from the sale or transfer of such awards or from any other event or act (of the Company and/or its Affiliate or the Israeli Non-Employee), shall be borne solely by the Israeli Non-Employee.

VIII. COORDINATION WITH THE PLAN

1. Section 102 and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter amended shall apply to grant of awards under the provisions of the Sub-Plan to an Israeli Employee.

2. Section 3(i) of the Ordinance shall apply to grant of awards under the provisions of the Sub-Plan to an Israeli Non-Employee.

3. The Plan is hereby incorporated by reference and shall be deemed as integral part of this Sub-Plan. Without derogating from the provisions of Section 102 and/or Section 3(i) of the Ordinance, all the terms and conditions of the Plan shall apply to grant of awards to Israeli Employee or Israeli Non-Employee. In the event of conflict between the Sub-Plan and the Plan the Sub-Plan would take precedence as for the provisions with respect to Section 102 of the Ordinance.

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Exhibit 21.1

UroGen Pharma Ltd.
Subsidiary of the Registrant
(as of December 31, 2016)

Urogen Pharma, Inc., a Delaware corporation.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of Urogen Pharma Ltd. of our report dated March 8, 2017 relating to the financial statements, which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

Tel-Aviv, Israel
April 7, 2017

/s/ Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

Kesselman & Kesselman, Trade Tower, 25 Hamered Street, Tel-Aviv 6812508, Israel,
P.O Box 50005 Tel-Aviv 6150001 Telephone: +972 -3- 7954555, Fax:+972 -3- 7954556, www.pwc.com/il

Exhibit 99.1

April 14, 2016

CONSENT OF DR. J. GREGORY WIRTH

United States Securities and Exchange Commission

In connection with UroGen Pharma Ltd.'s (the "Company") Registration Statement on Form F-1 (the "Registration Statement"), I, Dr. J. Gregory Wirth, hereby consent to the inclusion in the Company's Registration Statement of the following:

1. Images showing pre-treatment and post-MitoGel treatment results from one low-grade UTUC patient in the Compassionate Use program.

Yours truly,

/s/ Dr. J. Gregory Wirth

Dr. J. Gregory Wirth